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# **Daily Report**

## **East Asia**

**FBIS-EAS-95-113**  
**Tuesday**  
**13 June 1995**

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# Daily Report

## East Asia

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**Indonesia Wants Talks on Nuclear Arms Abolition**

*BK1306085695 Jakarta Radio Republik Indonesia  
Network in Indonesian 0500 GMT 13 Jun 95*

[FBIS Translated Text] Indonesia firmly wants the Disarmament Conference, under way in Geneva since last week, to give priority to discussions on the abolition of nuclear weapons. However, Indonesia regrets the fact that a number of countries are not serious about or have failed to show their political will in the matter. Ambassador Agus Tarmizi, permanent representative of the Republic of Indonesia to the United Nations in Geneva, stated this during a plenary session of the Disarmament Conference. The ambassador said nuclear disarmament will be the only way to cope with nuclear weapons of mass destruction which have become a serious threat to world peace and security.

**G-7 Finance Ministers To Discuss Currency**

*OWI206135795 Tokyo KYODO in English  
1320 GMT 12 Jun 95*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Leaders of major industrial powers will largely gloss over currency issues when they meet later this week, leaving such matters to their finance ministers, senior Japanese Government officials said Monday [12 June].

The Group of Seven (G-7) finance ministers will discuss foreign exchange issues in line with their April call for an "orderly reversal" to recent events that have seen the dollar plummet against the yen and the German mark, said Sadayuki Hayashi, deputy foreign minister for economic affairs.

The G-7 presidents and prime ministers will leave specific issues to their finance ministers during the Thursday-Saturday summit in Canada, since they and central bankers are responsible for currency policy, a senior Finance Ministry official said.

The ministers will base their discussions on market conditions at the time of their Thursday and Friday gatherings, in tandem with the leaders, at the summit in Halifax, Nova Scotia, the finance official told reporters on condition of anonymity.

Both officials said reform of such international organizations as the International Monetary Fund (IMF) and the World Bank will be the central themes of the economic talks by the leaders of the G-7, which also groups Britain, Canada, France, Germany, Italy and the United States.

Whether Finance Minister Masayoshi Takemura meets one-on-one with U.S. Treasury Secretary Robert Rubin has not been decided, the senior finance official said.

Hayashi, in an interview with news organizations, and the finance official were both cautious on a proposal for the IMF to sell some of its gold to help the poorest nations.

On the 50th anniversary of the Bretton Woods system that established the IMF and World Bank, "the biggest focus will be whether international institutions can respond fully to various issues going into the 21st century and how they should respond," Hayashi said.

Those two institutions have played an "extremely beneficial role" in the past half century but the problem is how well they can adapt to such new situations as the Mexican debt crisis, the finance official said.

Continuing discussions begun at the Naples summit last year, this week's summit will discuss improving surveillance of emerging markets to ward off crises, and timely disclosure of information, he said.

Although G-7 opinions are divided, Japanese officials will strongly urge that emergency financing be available regardless of the cause of a crisis to prevent market panic and the drastic outflow of market investments that was seen in Mexico, the finance official said.

On trade, Hayashi said the G-7 will call for strengthening the new World Trade Organization and discussing how to maintain the momentum of global trade liberalization. Japanese and U.S. officials have said they do not want their bilateral auto trade row to spill over into general summit discussions.

The finance official played down talk of a broad review of the floating-rate exchange system, saying that although it is not "ideal," he does not expect debate on reestablishing capital market or current account controls. Most G-7 nations would, however, prefer "a bit more stability" in the foreign exchange market, he said.

The G-7 nations agree on the "direction" of increasing financing arrangements through the general agreement to borrow but they will debate the scale of increase and enlarging the number of financing nations from the current 10, the finance official said.

**Japan****WTO Auto Talks Stalled, Cut Short**

*OWI306020395 Tokyo KYODO in English  
0128 GMT 13 Jun 95*

[FBIS Transcribed Text] Geneva, June 12 KYODO — Japan and the United States ended bilateral talks in Geneva on Monday [12 June] on the planned U.S. trade sanctions on Japanese luxury cars, without making any progress.

The two countries were to hold consultations for two days until Tuesday under the auspices of the World Trade Organization (WTO), but decided to end the session one day earlier than scheduled, Japanese sources said.

The two countries issued statements, but no schedule for the next round of talks has been set, the sources added.

The dispute will now move to the next stage in which Japan will consider asking the WTO to set up an arbitration panel, they said.

Tokyo will consider the timing of such a request in relation to the summit of the Group of Seven (G-7) industrialized nations set for Thursday through Saturday, the sources said.

Monday's consultations in Geneva, held at the request of Japan following the announcement of proposed trade sanctions by Washington in May, lasted for about seven hours, but negotiators reportedly failed to narrow the gap between the two sides.

The Japanese negotiators said the U.S. sanctions plan was a "clear violation of U.S. obligations" to the WTO, and demanded the lifting of such threats if the negotiations are to continue.

However, the U.S. side said that Washington is "in full compliance" with its obligations to the WTO, and expressed regret over "Japan's unwillingness to open its (automobile) markets."

At the end of Monday's session, the Japanese negotiators said Tokyo is willing to continue the consultations depending on further developments, but their U.S. counterparts only reiterated that the deadline for the sanctions being put into force remains at June 28, to be applied retroactively from May 20.

From Japan, Foreign Ministry negotiator Kazuo Asakai attended the meeting and an Australian Government official joined as an observer.

The U.S. side was led by Catherine Field, assistant counsel general in the Office of the U.S. Trade Representative.

Japan and the U.S. failed to reach an accord in the car and car parts trade dispute in early May under the bilateral framework trade negotiation that began in summer 1993.

The U.S. trade representative announced in mid-May a sanction step to impose 100 percent punitive duties on imports of 13 Japanese luxury car models. Following this, Japan submitted a complaint with the WTO.

**Timing of Next Round in Question**

*OWI306122795 Tokyo KYODO in English  
1204 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan and the United States may hold ministerial talks on the automotive trade dispute before or after the Halifax summit of seven major economies this week, a senior trade ministry official said Tuesday.

The official, who declined to be named, said Japan is ready to accept a U.S. proposal for a meeting between U.S. Trade Representative Mickey Kantor and Ryutaro Hashimoto, minister of international trade and industry.

The official said Japan agreed in principle to the U.S. overture in order to avert a U.S. threat to impose sanctions against Japan.

Washington has threatened to slap punitive tariffs on imports of Japanese luxury cars unless the trade dispute is settled by the June 28 deadline.

The official indicated the dispute will also be brought up at a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton set for June 15.

Murayama will appeal to Clinton for efforts to solve the issue according to rules of the World Trade Organization, the official said.

Hashimoto also plans to meet in Canada with Leon Brittan, vice chairman of the European Commission, who is scheduled to attend the summit, to explain Japan's economic deregulation program and seek the European Union's support for Japan in the automotive trade dispute with the U.S.

Another top trade ministry official said Tuesday Japan had rejected the U.S. call for holding bilateral auto trade talks in Washington on June 20-21 in bilateral talks held at the World Trade Organization in Geneva on Monday.

The two countries ended the Geneva talks concerning the planned U.S. trade sanctions on Japanese luxury cars without making any progress.

The talks were to continue for two days until Tuesday but the two sides decided to wind up the session after only one day.

**No Schedule Set**

*OWI306023895 Tokyo KYODO in English  
0225 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan and the United States left the negotiation table on autos without accords in Geneva on Monday [12 June] with no schedule set for the next round of talks, Trade Minister Ryutaro Hashimoto said Tuesday.

Japan gave a set of questions to the U.S. on Washington's move to slap 100 percent punitive tariffs on Japanese luxury car imports but the U.S. refrained from directly answering these questions saying they will be taken home for further assessment, International Trade and Industry Minister Hashimoto said at a press conference.

"Tokyo sent to Geneva a senior trade official with absolute authority for decision-making while Washington did not," Hashimoto said, indirectly criticizing the U.S. for what he views as an evasive stance in the Geneva talks, held under the dispute settlement procedure of the World Trade Organization (WTO).

Hashimoto also rapped the U.S. for its rejection of a request made by the European Union to take part in the Geneva meeting as an observer.

"Why didn't the U.S. make the talks open if it has nothing to be ashamed of?" Hashimoto said.

The bilateral auto talks were held as a preliminary to going to a dispute settlement panel, following Japan's May 17 filing of a complaint with the WTO against the U.S.

Japan is demanding the U.S. retract its plan to impose the punitive tariffs on Japanese cars, claiming such a unilateral action is not consistent with WTO principles.

The latest talks, originally set for Monday and Tuesday, were shortened to one day.

In Geneva, Japan urged the U.S. to withdraw the sanctions move but U.S. negotiators rejected the demand, claiming the United States did not violate any WTO rules, Hashimoto said.

Japan did not make any proposal on setting a schedule for the next round as it is waiting for U.S. answers to the Japanese questions, Hashimoto said.

"Auto talks (under the WTO) have just begun," Hashimoto said.

The U.S. has proposed that the auto talks be resumed in Washington in late June following the Geneva meeting.

Japan is reluctant to agree to this, fearing that the agenda may deviate from Washington's retaliatory action to general issues over bilateral auto trade if the talks are held in Washington.

Japan wants the issue of whether or not to hold Washington talks decided at the end of the Geneva meeting.

On the Group of Seven (G-7) summit this week in Halifax, Canada, Hashimoto said he has no plan to meet U.S. Trade Representative Mickey Kantor before or during the annual G-7 event.

**Hashimoto Rejection of Kantor Proposal Cited**

*OWI306001895 Tokyo NHK General Television Network in Japanese 1025 GMT 12 Jun 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] In the auto and auto parts negotiations, Japan reacted against the U.S. demand for increasing the amount of U.S.-made auto parts purchased by Japanese automakers under their voluntary plans. At the May ministerial talks on autos and auto parts, however, the U.S. offered a compromise proposal that both Tokyo and Washington declare that Japan's acceptance of the U.S. demand is not a Japanese commitment. This was disclosed in NHK-obtained minutes of the ministerial talks held between Ryutaro Hashimoto, minister of international trade and industry, and Mickey Kantor, U.S. trade representative.

According to the minutes, the U.S. asked that the Japanese and U.S. Governments reach a compromise in their auto and auto parts negotiations by issuing a communique that calls Japan's acceptance of the U.S. demand business forecasting, not managed trade, to which Japan responded negatively. In response, Minister Hashimoto and other Japanese officials said at the ministerial talks: Past experience shows that even if the Japanese and U.S. Governments declared that deals struck by the two countries are not a Japanese commitment, the United States imposes sanctions against Japan after unilaterally interpreting those deals as Japanese commitments. Therefore, we cannot accept the compromise proposal.

As a result, the ministerial talks on autos and auto parts broke down.

## NORTHEAST ASIA

**Hashimoto Gives 'Frank View' of Auto Talks**

*OWI306133595 Tokyo ASAHI Newstar Television Network in Japanese 0145 GMT 13 Jun 95*

[News conference by Ryutaro Hashimoto, minister of international trade and industry, with unidentified reporters at the Ministry of International Trade and Industry on 13 June — recorded; from the "Flash Report: News Conferences" program]

[FBIS Translated Excerpt] [Reporter] The talks under the WTO [World Trade Organization] in Geneva were originally scheduled for two days. However, the talks were broken off on the first day.

[Hashimoto] As I said earlier, the whole story is that although the Japanese side asked probing questions, the U.S. side only replied that they would take those questions home for consultations.

[Reporter] By what day does Japan want answers [words indistinct]?

[Hashimoto] I have not yet heard details of the matter. Conversely speaking, even if the Japanese side indicates a time limit for answers, the question is whether the U.S. negotiators are in charge of giving a reply. As I said earlier, I have sent Mr. Sano [chief of the International Economic Affairs Department] to Geneva with absolute authority for negotiating on such issues as the next round of talks, including the place and the level. But the U.S. negotiators were not given such authority.

[Reporter] How do you evaluate the latest talks in Geneva?

[Hashimoto] Well, they have just begun. This is just the beginning. That is all.

[Reporter] Did the Japanese side propose setting a schedule for the next round of talks?

[Hashimoto] I do not think that they did. I heard that they did not propose...[pauses] I do not know whether the date was mentioned in their exchanges. At least, I have not been told that the Japanese side officially made such a proposal.

[Reporter] Did this not become a topic in the talks?

[Hashimoto] I have not been told. This is my most straight answer.

[Reporter] Japan was fully prepared for holding the latest talks under the WTO. But the U.S. side reportedly sent few, low-level negotiators to Geneva. The United States did not allow the EU to join the talks as an observer from the third countries. What do you think of the U.S. attitude in the latest talks.

[Hashimoto] The officials in charge may reprove me later for saying too much. But, my frank view is: Why did the United States not make the talks open to all if it has nothing to be ashamed of? That is all I want to say. When the EU requested to take part in the talks, we answered in the affirmative. When Australia made the request, we replied in the same way.

[Reporter] I do not know whether or not this has been officially conveyed to the government...[words indistinct] U.S. Trade Representative Kantor reportedly hopes to see you when he attends the Halifax summit...

[Hashimoto] Will Mr. Kantor attend the summit? Mr. Kantor's name is not on the list of three attendees from the United States.

[Reporter] I am sorry. About the meeting before the summit. Have you received the proposal for holding a meeting prior to the summit?

[Hashimoto] I have not received the proposal for a meeting prior to the summit. Even if such a proposal had been conveyed to me, the meeting would have been practically impossible in view of the current situation in which the no-confidence motion in the cabinet has been submitted to the House of Representatives. However, I have not received such a proposal.

[Reporter] After the Japan-U.S. summit talks and the Halifax summit, you are reportedly scheduled to go to Paris to join the Japan-French summit and the meeting between Japan and [words indistinct]. Why have you changed your schedule?

[Hashimoto] The reason is that, through the Foreign Ministry, French President Chirac has requested that the trade minister also come to Paris. In response to this request, the Foreign Ministry asked me to attend the meeting. There is no other reason. [passage omitted]

**Toyoda Discusses Current Economy, Auto Talks**

*OWI306145395 Tokyo Asahi Newstar Television Network in Japanese 0922 GMT 12 Jun 95*

[News conference by Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), with unidentified reporters in Tokyo on 12 June — recorded; from the "Flash Report: News Conferences" program]

[FBIS Translated Excerpt] [Reporter] I am [passage indistinct]. First of all, I would like to ask you a question regarding the current economic situation. According to the short-term economic survey by the Bank of Japan [BOJ], the economy is still stalled. The average stock price dropped to as low as 14,800 yen. What is your

view of the economic situation? Can you also explain your wishes to the policy authorities if you have them?

[Toyoda] Keidanren is very much worried about the economic situation. As I have been saying for some time, the stagnant economy is the biggest concern for us. According to the BOJ's short-term economic survey, which was announced the other day, the economy, although sluggish, is recovering. However, the yen continues to be strong and stock prices are low. Stock prices went down again today. I think that the economy is entering a very difficult situation due to the delay in dealing with bad debts and other matters. We are concerned about the impact of the strong yen, in particular. The strong yen's impacts are far too big for Japanese industries to bear. They are hampering production industries' recovering power. Also, the unemployment rate has risen to an all-time high of 3.2 percent. [passage omitted]

Meanwhile, companies, for their part, need to develop, as I have been saying, new products and nurture new projects rather than merely relying on the government. Regarding the strong yen, we need to work on the United States and ask them to exert effort toward reducing its twin deficits and stabilizing foreign exchange rates. The Halifax summit will start soon. We hope the issue of the strong yen will be discussed at the summit.

[Reporter] Well, you reportedly said at a news conference held in Osaka last week that there is a room to lower the official discount rate. Can you comment on that?

[Toyoda] As I said earlier, economic recovery is an urgent task. The government should use all possible means to map out measures to prop up the economy. What I said at the news conference was that it was thinkable to lower the official discount rate as one such measure.

[Reporter] The Ministry of Finance [MOF] announced last week its fundamental policy for the treatment of bad debts. How do you assess the MOF policy? Can you comment on the MOF's announcement and on whether it is right or wrong to use public funds to rescue the financial institutions who are suffering from bad debts?

[Toyoda] As I have been saying, the economy is very much stagnant and I think the financial institutions' bad debts are an issue that cannot be avoided. In this sense, I think the policy announced recently shows the MOF's stance of firmly buckling down to the issue of Jusen [as heard] and other financial institutions, who are stuck with bad debts, on the principle of self-responsibility and self-help. I hope that the government will materialize the economic measures designed to

deal with the strong yen and the issue of bad debts to rehabilitate the economic condition. At the same time, I hope the government will devise all possible means to map out measures for that purpose. I think that the government needs to tackle the issue of using public funds as soon as possible on the precondition that the financial institutions should be, in principle, self-responsible and exert self-help efforts.

[Reporter] Next, I would like to ask you a question regarding the Japan-U.S. auto talks. The deadline, set on 28 June, is approaching. What do you think will happen to the talks?

[Toyoda] To the future of the talks?

[Reporter] Yes.

[Toyoda] Well, I do not know what will happen to the talks. A sanction list was announced. One of the tasks, as far as we are concerned, is how we should deal with the list. We hope that a settlement will be reached without actually imposing sanctions. [passage omitted]

[Reporter] It is likely that ten companies will be indicted this week for bid-rigging in a project of the Sewage Works Agency. What do you think of this issue?

[Toyoda] I am aware of this incident involving the Japan Sewage Works Agency because it was reported in the papers. My understanding is that the agency was deeply involved in the bid-rigging. Anyhow, it is very regrettable that influential companies were involved in bid-rigging. The government should shed light upon the mechanism of the bid-rigging and come up with effective measures to prevent similar things from happening. [passage omitted]

[Reporter] About the auto issue. Japan-U.S. summit talks will be held this week. What do you expect of the talks?

[Toyoda] As I said earlier, I hope that sanctions on the basis of the Article 301 will not be imposed. Both sides should exert mutual efforts, keep calm, and have discussions soon.

[Reporter] At the Keidanren General Assembly held last month, one of [word indistinct] said that both sides should shelve the issue and have microeconomic discussions from different perspectives. What do you think of this view?

[Toyoda] The problem will not go away even if it is shelved. I am of the view that both countries should exert efforts to settle the issue soon. Discussions may be held at the World Trade Organization [WTO]. But I hope the issue will be settled before having discussions at the WTO.

[Reporter] Some people in the private sector are of the view that discussions should be held at the private sector level to seek a settlement.

[Toyoda] I do not think so.

[Reporter] Do you mean to say that discussions should be held between the governments?

[Toyoda] Government-level discussions are being held now. I hope a settlement will be reached there.

#### **Mazda Motor Boosting Foreign Parts Procurement**

*OWI306034195 Tokyo KYODO in English  
0317 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Mazda Motor Corp. will continue gradually increasing its procurement of foreign-made auto parts to reduce production costs, a company official said Tuesday [13 June].

The official made the comment to clarify a morning report by the NIHON KEIZAI SHIMBUN, which said the Hiroshima-based auto company will boost its ratio of imports to total procurement of auto parts to 30 percent in fiscal 1997.

The official said, "it is true we have been trying to increase the rate, currently standing at around 5 percent, but a target of 30 percent in fiscal 1997 is by no means realistic."

Mazda has a basic policy to purchase auto parts from "anywhere in the world," so long as the three requirements — quality, cost and delivery date — are satisfied, he said.

"Currently, Mazda purchases parts from suppliers in Europe, North America and Asian countries and we will keep our basic stance to reduce costs amid the yen's surge," he said.

The official said Mazda's action has nothing to do with persistent U.S. requests for Japanese carmakers to buy more foreign parts.

Mazda will set up an ad-hoc committee at its headquarters in Hiroshima by the end of June to strengthen its overseas procurement, he said.

#### **Editorial Urges Settlement of Aviation Issue**

*OWI306001295 Tokyo ASAHI SHIMBUN  
in Japanese 11 Jun 95 Morning Edition p 5*

[Editorial: "Cannot 'Sky' Frictions Be Avoided?"]

[FBIS Translated Text] Japanese and U.S. views are head-on in conflict over the issue of establishing new air routes. To both countries, the issue became a cause

of new friction in the "sky" following on the heels of "auto" friction.

Even after the rupture of an unofficial Japan-U.S. working-level meeting last month, the United States did not change its hard-line policy, which calls for sanctions against Japan. A vice ministerial meeting will soon be held in Washington. However, there is no prospect of reaching an agreement at the meeting. Japan-U.S. economic relations, which became shaky over the auto issue, will worsen should the two governments strengthen their confrontational stands. We hope that both countries will exert further efforts to settle the issue.

The Japan-U.S. confrontation started when major U.S. cargo flight operator Federal Express Corp. applied for many new air routes to Southeast Asia via Japan. The unofficial meeting ended in failure because, while insisting on its "vested right in terms of the Japan-U.S. aviation accord," the United States demanded Japan approve the request as soon possible. However, Japan rejected it, saying that a "full-scale review of the accord must be made first."

The Japan-U.S. aviation accord was signed in 1952, when the postwar occupation ended. The United States, which was conquering the world's skies at that time, pushed its way through for signing the accord, which is unfair to Japan. Among other things, the accord gives the United States unlimited "beyond rights" — rights for airlines to fly on to third countries.

Japan is claiming that the aviation accord is "mainly for cargo transportation between the two countries" and the "air routes via Japan are just supplementary to the cargo flight services between the two countries." However, the United States, which insists on its "open sky" policy, argues that it is a "matter of course for the United States to freely use the beyond rights."

One point at issue in the Japan-U.S. aviation accord has been focused on how to deal with the beyond rights. It has been Japan's merciful prayer for a long time to revise the current accord, which favors the United States.

When the accord became effective, people using the air routes to Asia via Japan were mostly Americans. Now, however, Japanese are the major passengers and cargo flight operators on these air routes are transporting cargo from Japan. The United States insists on its beyond rights because fierce business competition in the U.S. aviation market has lowered airline profitability. At the same time, the United States has become interested in the Asian market, which is expected to grow rapidly.

Unlike its automobile sector, the United States has overwhelmingly strong competitive power in the aviation field. The United States might have concluded that it is a good policy in terms of trade negotiations to be tough on Japan in this field.

The United States will likely ask for complete liberalization of other air routes as well should Japan approve the Federal Express application in line with U.S. demands. Japanese aviation companies' profits will shrink if the request is approved. Japan just cannot accept such a request by any means.

Revision of the accord's unfairness is desirable as an action to settle postwar issues. Japan needs to attend aviation negotiations with a strong resolve aimed at forming a new framework for the Japan-U.S. accord.

Nevertheless, the general tendency of the world is leaning toward market liberalization. How will Japanese aviation companies cope with such a trend? We are of the view that a U.S. compromise cannot be expected unless Japan clearly spells out its fundamental policies.

Unlike other businesses, the aviation field is an area entwined with national interests. All countries attach importance to nurturing their own aviation companies because they think aviation companies are indispensable for national defense. What we are concerned about is that the Japanese Government is assuming the stand of safeguarding Japanese aviation companies, which are suffering from shrinking profits.

Travelers no longer care about nationality of airlines as long as they are given safe, less expensive, and good services.

If they become an obstacle to free competition, the aviation negotiations will incur a backlash from travelers. The United States will take advantage of the situation and no progress will be made in revising the unfairness if Japan tries to make protection of its aviation companies the number one issue.

#### Kunihiro Saito Slated as Next Envoy to U.S.

OWI206235995 Tokyo TOKYO SHIMBUN  
in Japanese 11 Jun 95 Morning Edition p 2

[FBIS Translated Text] Who will become the next Japanese ambassador to the United States? Will Kunihiro Saito, the administrative vice minister of foreign affairs, be transferred to the post or Hisashi Owada, the representative to the United Nations, step into the post? The issue, which attracted much attention, was settled on 10 June when the government decided to "appoint Saito" as initially planned by Tomiichi Murayama, the prime minister, and Yohei Kono, the deputy prime minister and foreign minister. Saito is expected to replace

incumbent Ambassador Takakazu Kuriyama sometime between the end of this year and early next year.

From the beginning, Murayama and Kono wanted to appoint Saito to succeed Kuriyama. However, the issue became sticky when a government source said that in the Miyazawa administration: "Then Prime Minister Kiichi Miyazawa; envoy Kuriyama; and Owada, who was then administrative vice minister of foreign affairs, held talks and secretly agreed to give Owada the U.S. envoy post." As if to reflect that, the statement was made in a report on Owada showing his intention to become ambassador.

The decision was finally reached to appoint Saito, along with the opinions of the prime minister and foreign minister, that the position of Owada, who is the father of the Crown Princess, should not be impaired by the bilateral trade friction.

For the time being, Owada will maintain his office of UN representative as "the face of Japan's diplomacy" in the international arena. After completing his UN term, he is expected to enter into a scholarly life.

#### KEDO Meeting Reconfirms Basic Agreement

OWI306122295 Tokyo KYODO in English  
1200 GMT 13 Jun 95

[FBIS Transcribed Text] Seoul, June 13 KYODO — The United States, Japan and South Korea reconfirmed Tuesday [13 June] that reactors to be supplied to North Korea under a landmark nuclear deal will be South Korean-made and that Seoul will play a central role in the project.

After an executive board meeting of the Korean Peninsula Energy Development Organization (KEDO) hastily arranged after nuclear talks just concluded in Kuala Lumpur, representatives from the three principal KEDO member countries issued a joint press statement, confirming the basic principles for the implementation of the light-water reactor project for North Korea.

U.S. Ambassador-at-Large Robert Gallucci, South Korea's representative to KEDO Choi Dong-chin and Japan's representative Tetsuya Endo attended the third meeting of the KEDO board.

Gallucci reaffirmed in answering a reporter's question that South Korea's longstanding position is guaranteed, saying, "there is absolutely no ambiguity about the reactor model and reference plants" to be supplied to North Korea.

KEDO is an international consortium formed in March with the U.S., Japan and South Korea as its main members to raise funds to provide light-water reactors

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to North Korea under a nuclear deal signed last October to keep the north from acquiring nuclear weapons.

According to the joint statement, the KEDO board meeting reaffirmed that the reactors to be provided to North Korea will be Korean standard model reactors and that the reference plants will be Ulchin 3 and 4.

"The executive board also decided 'o take necessary steps for the delivery of heavy fuel oil to North Korea," the statement said.

It added the delivery of heavy fuel oil will be subject to the conclusion of an agreement between the U.S. and North Korea on a schedule and cooperative measures and will be concurrent with the initiation of steps to ensure safe storage of the spent nuclear fuel in North Korea.

"The executive board noted that the talks that took place in Kuala Lumpur between May 19 and June 13, 1995, involved close consultation among the Republic of Korea, the U.S. and Japan," the statement said.

#### Tokyo Welcomes Nuclear Accord

*OWI306125695 Tokyo KYODO in English  
1231 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan welcomed the just reached nuclear accord between the United States and North Korea on Tuesday [13 June], saying it ensured the common position of Japan, the U.S. and South Korea that Seoul would play a central role in converting North Korea's nuclear program to peaceful purposes.

Foreign Minister Yohei Kono issued a statement welcoming the accord announced by North Korea and the U.S. in Kuala Lumpur to implement a landmark framework nuclear pact signed between the two countries in Geneva last October.

In the statement, Kono praised the tenacious efforts of the U.S. to achieve the accord and its close consultations with Tokyo and Seoul in negotiating with North Korea.

Japan hopes North Korea will maintain the freeze on its nuclear programs based on the nuclear accord with the U.S., he said.

It also hopes Pyongyang will seriously engage in talks with the Korean Peninsula Energy Development Organization (KEDO) and steadily implement the accord, including the project to replace its graphite- moderated reactors with safer light-water reactors, he said.

Kono also said Japan, as a board member of KEDO, will continue to make utmost efforts to implement the light-water reactor project by closely coordinating with related countries including the U.S. and South Korea.

The latest accord between Washington and Pyongyang is expected to have a positive impact on Japan's bid to reopen talks with North Korea to normalize bilateral diplomatic relations.

Foreign Ministry officials earlier denied any "direct" effects the U.S.-North Korea negotiations would have on Japan's own efforts to resume talks with Pyongyang, but they have said the "atmosphere" would improve if the U.S.-North Korea talks succeed.

Talks between Tokyo and Pyongyang to normalize ties between the two countries have not been held since negotiations broke off in November 1992.

#### Tokyo To Submit Nuclear Weapons Statement

*OWI306040295 Tokyo KYODO in English  
0338 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan will send a statement to the International Court of Justice that the use of nuclear arms is "contrary to the spirit of humanity," citing its experience as the only country to have suffered atomic bombing. Foreign Minister Yohei Kono said Tuesday [13 June].

Kono told a press conference that the statement, to be submitted by June 20 to the court in The Hague, will basically be in line with Japan's previous statement to the court last year.

The new statement, however, will include additional passages calling for further nuclear disarmament efforts in the wake of the indefinite extension of the Nuclear Nonproliferation Treaty (NPT) and touching on Japan's experience as the only country to have atomic bombs used against it, Kono said.

Kono said he explained the contents of the statement during informal talks among cabinet ministers and won their agreement.

The international court in February asked Japan and other countries to submit legal opinions on the use of nuclear weapons by June 20. The move followed a UN resolution to ask the court to decide whether or not nuclear warfare violates international law.

The court made a similar request in June 1994 at the request of the World Health Organization.

The court's request at the time prompted an uproar in Japan because the government of then Prime Minister Tsutomu Hata initially planned to tell the court that the use of nuclear weapons technically does not violate international law.

The government eventually submitted a statement deleting the passage and instead saying, "because of the immense power to cause destruction, death and injury to human beings, the use of nuclear weapons is clearly contrary to the spirit of humanity that gives international law its philosophical foundation."

The new statement to be submitted by next week says that nuclear weapons destroy a great number of lives and the basis for people's lives in an instant, and the victims' long-lasting pain due to radiation problems is beyond description.

"Based on its tragic experience of suffering atomic bombings of Hiroshima and Nagasaki, the Japanese Government thinks nuclear weapons should never be used. Japan will continue efforts to promote nuclear disarmament, nuclear nonproliferation and toward ultimate abolition of nuclear weapons," the new statement says.

**Report on Nuclear Power Generation in Asia**  
*OWI206235895 Tokyo YOMIURI SHIMBUN  
in Japanese 9 Jun 95 Morning Edition p 7*

[FBIS Translated Text] A draft of a report on nuclear power generation in the Asian region was revealed on 8 June. Compiled by the Atomic Power Division (chief: Kosaku Inaba, president of Ishikawajima-Harima Heavy Industries Co., Ltd.) of the Energy Advisory Committee (advisory organ to the international trade and industry minister), the report notes the necessity of Japan's role in promoting the idea of setting up an international cooperation framework to ensure nuclear power plant safety in Asia. The report hammers out the principles of providing private industries not only the equipment needed for power plants but also with safety operation know-how and calls for giving top priority to ensuring safety in working out nuclear policies and promoting business activities. The report will be officially approved at a division session scheduled for 12 June.

As concrete measures needed to be discussed multilaterally for ensuring safety of nuclear power plants in Asia, the report proposes: 1) establishing "an emergency contact and mutual support system" to deal with possible nuclear power accidents in the Pacific Rim area; 2) improving a system of controlling and disposing radioactive waste and spent nuclear fuel; and 3) establishing a damage compensation system in preparation for possible nuclear power accidents in the region.

Moreover, as measures to be taken bilaterally between Japan and Asian nations, the report calls for: 1) deepening Asian nations' understanding of the importance of ensuring safety; 2) nurturing engineers specializing in power plant safety operations; and 3) cooperating in es-

tablishing legal systems, such as safety regulations and standards.

Asia's energy demands have drastically increased as the Asian economy has rapidly grown; and, in each of the Asian nations, nuclear power plant construction is under way or planned. However, many of them have not participated in an international accord on nuclear power and have not established safety regulations or legal systems. The report urges Japan to play a positive role in Asia.

**Murayama Calls for Action on Global Disarmament**  
*OWI206063295 Tokyo KYODO in English  
0605 GMT 12 Jun 95*

[FBIS Transcribed Text] Nagasaki, June 12 KYODO — Prime Minister Tomiichi Murayama said Monday [12 June] it is time that the international community lived up to its words with action and implemented its numerous pledges of disarmament.

"We have to recognize that the present age has been transformed from being an 'era of slogans on disarmament' to an 'era of actions on disarmament,'" Murayama said in an address to the UN Conference on Disarmament Issues that opened in Nagasaki earlier Monday.

The speech was read out by Deputy Chief Cabinet Secretary Hiroyuki Sonoda since Murayama canceled his planned trip to Nagasaki to attend a House of Representatives Budget Committee session on two failed credit unions.

While welcoming the recent indefinite extension of the Nuclear Nonproliferation Treaty (NPT) as "the beginning of a new age of disarmament," Murayama called on the atomic powers — Britain, China, France, Russia and the United States — to work for the total abolition of nuclear weapons in line with the treaty's objectives.

"To the United States and the Russian Federation, in particular, I would like to express my earnest hope for the earliest entry into force of Start II and for further substantial reduction of their nuclear arsenals," Murayama's speech read.

He proposed that a seminar be held in Japan next year to deepen discussion about future nuclear disarmament, including a comprehensive test ban treaty, which is currently under negotiation.

Reiterating Japan's call for an end to all nuclear testing, Murayama also criticized China for conducting another underground nuclear test last month.

"Japan deeply regrets their action and strongly urges China not to repeat any nuclear testing in the future," he said.

He indirectly called on North Korea to "demonstrate a positive attitude" on the provision of light-water reactors in ongoing negotiations with the U.S.

Pyongyang has refused to accept South Korean-made replacement reactors under a landmark Oct. 21 agreement that put a freeze on the North's current nuclear power system which is suspected of being part of a covert nuclear weapons program.

While urging the early conclusion of a "cut-off treaty" that will prohibit the production of fissionable materials for weapons purposes, Murayama also suggested the introduction of an international regime to register stockpiles of such materials.

Pointing to the March 20 sarin nerve gas attack on the Tokyo subway that killed 12 and injured thousands, Murayama called on other nations to quickly ratify an international convention on the elimination of chemical weapons so as to ensure its implementation.

He also proposed establishing a panel of experts under the UN secretary general to discuss measures to curb the spread of small arms such as automatic rifles to prevent regional conflicts.

Some 90 people from 36 countries are attending the disarmament conference, which has been held annually in Japan since 1989.

#### CERN Grants Tokyo Observer Status

*OWI006091495 Tokyo KYODO in English  
0844 GMT 10 Jun 95*

[FBIS Transcribed Text] Tokyo, June 10 KYODO — Japan has been granted observer status by the organization which promotes collaboration among European states in nuclear research for peaceful purposes, informed sources said Saturday [10 June].

The sources said the Geneva-based European Organization for Nuclear Research (CERN), which was founded in 1954, granted Japan the status in view of its decision to contribute 5 billion yen toward the construction by CERN of the world's largest particle accelerator.

Education Minister Kaoru Yosano is scheduled to attend a CERN council meeting in Geneva on June 23. Countries with observer status can attend council meetings which are held two or three times a year.

The observer status will give Japan quicker access to the kind of cutting-edge scientific developments produced from CERN research, the sources said.

Japan will fund the accelerator, some 27 kilometers in circumference, on the Swiss-French border. It will use superconducting magnets to smash protons together at near the speed of light to observe as yet undiscovered particles.

Japan will also cooperate in the development of the superconducting magnets with a view to commencing the experiments in 2004.

Israel, Russia, Turkey, the European Commission, and the UN Educational, Scientific and Cultural Organization (UNESCO) also have observer status in the 19-member organization.

#### EU Blocks GATT Report on Antidumping Duties

*OWI306005295 Tokyo KYODO in English  
0009 GMT 13 Jun 95*

[FBIS Transcribed Text] Geneva, June 12 KYODO — The European Union (EU) on Monday [12 June] blocked adoption of a General Agreement on Tariffs and Trade (GATT) panel's report urging the EU to review antidumping duties on audiocassettes imported from Japan, trade sources said.

The EU decided in May 1991 to impose antidumping tariffs ranging from 15.2 to 25.5 percent on imported cassette tapes from Japan.

At a meeting of the Antidumping Committee of GATT, the EU said it needed more time to examine the report, according to the sources. The United States and Canada also supported the EU.

Japanese officials said they will request a special meeting of the Antidumping Committee ahead of its next scheduled session in late October.

GATT, which was superseded by the World Trade Organization in January, is still functioning to clear away leftover business.

The GATT panel, set up in October 1992 following complaints from Japan, compiled the report in April this year.

#### Official of Former Yugoslavia Ends Visit

*LD1006123495 Belgrade TANJUG in English  
1135 GMT 10 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 (TANJUG) — Yugoslav Deputy Foreign Minister Radoslav Bulajic on Saturday left Tokyo for Seoul after a four-day visit to Japan.

Bulajic's mission is to give leaders and the public of several Asian and Pacific countries a better insight into all aspects of the Yugoslav crisis and inform

them of disastrous effects of the U.N. sanctions against Yugoslavia.

During his visit to Tokyo, Bulajic met with a number of Japanese Government high-ranking officials, members of parliament and businessmen. Bulajic is the first Yugoslav politician to visit Japan since the outbreak of hostilities in the former Yugoslavia. His visit came after a meeting between Yugoslav Foreign Minister Vladislav Jovanovic and his Japanese counterpart Yohei Kono in Budapest in late April.

The Yugoslav and Japanese sides have agreed in all talks that conflicts in the former Yugoslavia should be resolved peacefully, through negotiations, giving an equal treatment to all sides and observing their legitimate rights. The two sides also agreed that the lifting of the sanctions against Yugoslavia would fully restore and even extend cooperation between Yugoslavia and Japan.

At the close of his visit, Bulajic on Friday held a news conference at the Yugoslav Embassy in Tokyo and informed reporters of major Japanese papers, the state news agency Kyodo and other media about Yugoslavia's stands on ways to resolve the crisis in the former Yugoslavia. Japanese reporters showed keen interest in the situation of captive U.N. troops in Bosnia and Serbian President Slobodan Milosevic's role in their release.

Bulajic said the crises in Bosnia had been prompted by international community's erroneous approach. He said that peace could be restored only if the warring sides returned to the conference table and received an equal treatment.

#### MOFA Cites Yeltsin Letter on Sakhalin Aid

OWI206074795 Tokyo KYODO in English  
0714 GMT 12 Jun 95

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Russian President Boris Yeltsin, in a message to Prime Minister Tomiichi Murayama on Monday [12 June], expressed appreciation for Japan's aid for victims of the Sakhalin earthquake last month, a Ministry of Foreign Affairs [MOFA] official said.

Yeltsin's message to Murayama was conveyed by Russian ambassador to Japan Lyudvig Chizhov to Foreign Minister Yohei Kono during a meeting at the Foreign Ministry.

Chizhov also handed in letters from Russian Deputy First Prime Minister Oleg Soskovets addressed to Murayama and Kono which also expressed appreciation for the Japanese aid, the official said.

A similar message from Russian Foreign Minister Andrey Kozyrev to Kono was also delivered, he said.

Yeltsin earlier caused a diplomatic stir when he suggested that Japan would try to exploit its giving of aid for the quake victims by using it as leverage in efforts to obtain the return of four Russian-held islands off Hokkaido.

Japan said it offered the aid purely from a humanitarian point of view.

In the message to Murayama, the Russian president thanked Japan for offering the aid and praised it for extending it before any other country did, the official said.

Soskovets, who heads Russia's emergency committee on the Sakhalin earthquake, said in the letters to Murayama and Kono that Japan's aid shows the Japanese people's friendly feelings toward Russia, according to the official.

Kono told Chizhov that Japan, which received aid from Russia when a powerful earthquake hit western Japan in January, extended aid to Sakhalin without any hesitation and that it is ready to provide necessary aid within its capacity.

He also suggested that Japan and Russia could cooperate in predicting earthquakes.

Such cooperation is expected to be discussed when a bilateral science and technology cooperation committee opens in July in Moscow, the official said.

The May 28 powerful earthquake, which registered 7.5 on the Richter scale, devastated the oil town of Neftegorsk in the Russian far east island of Sakhalin.

#### Rengo Urges Action for Global Economic Growth

OWI206025895 Tokyo KYODO in English  
0218 GMT 12 Jun 95

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Japan's largest labor organization urged the government of Prime Minister Tomiichi Murayama on Monday [12 June] to help achieve global economic growth and job security, officials said.

Leaders of the Japanese Trade Union Confederation (Rengo) made the appeal in a meeting with Murayama, Foreign Minister Yohei Kono, Finance Minister Masayoshi Takemura, Labor Minister Manso Hamamoto and other high-ranking government officials at the premier's official residence.

In the meeting prior to Murayama's attendance at the summit of the group of seven leading industrialized

countries in Halifax, Canada, later this week, the eight-million-strong Rengo also sought measures to halt the yen's meteoric rise against the U.S. dollar, the officials said.

#### **ANRE Survey To Exclude Tsushima Strait**

*OWI206050295 Tokyo SANKEI SHIMBUN in Japanese 9 Jun 95 Morning Edition p 1*

[FBIS Translated Text] The Agency of Natural Resources and Energy [ANRE] under the Ministry of International Trade and Industry [MITI] plans to conduct a "basic survey on the development of domestic oil and natural gas resources" beginning mid-June. ANRE planned to use a Chinese ship to conduct the survey, which includes sea areas around Tsushima Strait that are viewed as extremely important from the military strategic viewpoint. However, on 8 June, MITI firmed up a decision to exclude the strait from the survey after consulting with the Defense Agency [DA].

DA officials have criticized the ANRE plans to survey the sea areas around the strait saying: "There is a possibility that the survey could shed light on an important Japanese defense point to a third country. The survey is risky."

ANRE has conducted seven surveys in Japan's coastal waters. ANRE planned to conduct the survey in Japan's coastal waters for five years. This year, the first year of the survey, ANRE will survey sea areas around Tsushima Strait and off Tomakomi, Hokkaido, and on land in southern Niigata Prefecture. ANRE also planned to conduct a seabed survey to confirm whether or not natural resources exist in the seabed by shooting compressed air into the seabed to receive reflected sounds through cable receivers and filing data for on-board analysis.

Japan had a survey ship, "Kaiyomaru," but it was scrapped seven years ago. Japan has since leased foreign survey ships through international tenders. In the latest tender, in which the United States, European nations, and China vied, China was chosen.

Like Soya and Tsugaru Straits, submarines and warships of other nations steam through waters off Tsushima Strait and the waters are Japan's most important defense point. The DA has been keeping close watch on the passage of warships and submarines of other nations in the waters off the three straits. Equipment and apparatus have been laid underwater in the three straits to detect submarines of other nations.

The DA learned of ANRE's plans to use the Chinese ship to conduct the survey in the important waters after China was awarded a contract for the ship's lease. In

fact, the DA learned of ANRE's plans from information provided by the Foreign Ministry, which handled entry procedures for Chinese ship crews. Claiming it feared that information on the existence of facilities in the seabed and their functions as well as the configuration of the seabed could be leaked to the third nation, DA officials are reacting against MITI, which sees budgetary matters as more important than national security.

In response, MITI has consulted with the DA. MITI is said to have made a final decision to exclude waters off Tsushima Strait from the survey at the end of the consultations with the DA about sea areas to be surveyed.

#### **MITI Economic Deregulation Policy Approved**

*OWI206144795 Tokyo KYODO in English 1416 GMT 12 Jun 95*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — An advisory panel approved Monday [12 June] a policy by the Ministry of International Trade and Industry (MITI) calling for economic deregulation to build an economy harmonized with world society, ministry officials said.

The Industrial Structure Council, an advisory body to the MITI chief, also endorsed the need for Japan to strengthen and maintain the multilateral free trade system and consolidate research and development.

The appeals were contained in a report to the council, designed to lay the foundation for Japan's future trade policy to be implemented next fiscal year.

The report said economic deregulation is indispensable to promote competition and urged the economic community to review traditional business practices and rationalize procurement procedures.

It also urged the government to carry out reforms in the domestic legal and financial systems to make it easy for corporations to redistribute their funds.

In consolidating the research and development infrastructure, the report said researchers should be given a status commensurate with their talents and emphasis should be placed on the establishment of an information society.

The report also stressed the importance for Japan to deepen mutually interdependent relations with other countries in Asia.

**Tsutsumi on Imports, Foreign Investments**

*OW0906114295 Tokyo Asahi Newstar Television Network in Japanese 1715 GMT 8 Jun 95*

[Statement by Tomio Tsutsumi, administrative vice minister of international trade and industry, at a news conference in Tokyo on 8 June — recorded; from "Flash Report: News Conferences" Program]

[FBIS Translated Except] Now, I will explain the major items of our vice ministerial meeting:

Today, a decision was made at the vice ministerial meeting to amend part of the Law on the Promotion of Imports and Foreign Investment in Japan. Until now, the law has limited the importation of small- and medium-sized enterprises to a number of specific enterprises. The amendment of the law is designed to create a package of exceptional loan and insurance measures for small- and medium-sized enterprise to help them smoothly raise funds and promote their imports.

Today, the vice ministerial meeting also decided to add some items as beneficiaries of the package of exceptional loans and insurance measures. The items roughly break down into two categories: one is medicine and the other is auto parts. Most auto parts have already benefited from the exceptional measures, but this time, five auto parts items were added. Rubber belts, rubber hoses, and other auto parts are among the additional items. In principle, virtually no duty will be imposed on those items in order to promote imports into Japan. [passage omitted]

**Panel Urges Rectifying Cost-Boosting Structure**

*OW1306061295 Tokyo KYODO in English 0543 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — A subcommittee of a blue-ribbon government panel urged the government Tuesday to rectify the Japanese economy's "cost-boosting structure" and soften various legal curbs to harmonize it with the international community's freer economic practices.

The Subcommittee for a Free and Revitalized Economy, a panel of the Economic Council, an advisory body to the prime minister, called on the government to work out an action program to this end and to live up to "five principles of deregulation."

The 31-member subcommittee is chaired by Shoichiro Toyoda, chairman of Toyota Motor Corp. The panel also includes such business leaders and economists as Mitsuhide Yamaguchi, president of the Tokyo Stock Exchange, and Glen Fukushima, regional director on public policy and market development at AT and T Japan Ltd.

The panel says in an interim report, "it is necessary for Japan to build a system that would enable businesses and individuals to show their initiatives freely and allow the economy to give full play to the vitality of a market economy."

The report is the result of a study concerning gulfs in prices of products or services among Japan and other developed countries in 10 selected fields such as distribution, energy, financial services, passenger transportation services, agricultural production and public works.

Among the five new tenets of deregulation, the panel primarily urges the government to consider "abolishing" or "drastically reviewing" regulations on permissions being sought by new business players to enter existing business fields or set up new business facilities.

The second principle demands that the government "establish conditions conducive to encouraging competition as actively as possible ... so that regulations may not curb competition accruing from the entry of new market players, although, in some cases, such curbs are necessary to protect the safety and health and preserve the environment."

The same principle also recommends that the government harmonize Japanese regulations and mandatory standards for industrial goods with those of other countries, except for cases where there is special rationale for such curbs.

Toshimi Nishizaki, a senior official at the Economic Planning Agency's Planning Bureau, said this tenet means that Japan should accept foreign government-collected inspection data attesting to the safety of such goods as cosmetics, clothes and fresh food in freezing container ships.

The report identified dozens of specific outdated or unnecessary regulations on foreign access and business activities in the 10 selected fields whose scrapping would be recommendable.

Primarily, it notes, "Japan is facing burgeoning social requests that it lower cargo transportation expenditures through the establishment of a more effective transportation system in view of allegations that Japan charges higher transportation costs than in the United States."

Specifically, the report advises the government to ease the requirement that any would-be entrant into the trucking business prove it has a fleet of trucks exceeding a certain prescribed number.

currently, each regional office of the transport ministry sets a required number of trucks for would-be trucking

business entrants. The report recommends that this requirement be dropped to encourage greater competition among trucking businesses.

It also advises the government to become more willing to authorize requests by trucking companies to expand the number of districts and prefectures into which they are allowed to deliver their cargoes.

Another recommendation on transportation calls for the consideration of abolishing the current "scrap and build" requirement on small-scale shipping companies whose cargo ships shuttle among Japanese ports only.

The requirement has long demanded that a shipping company should scrap one freighter whenever it wants to build one new freighter. This rule has been under criticism as curbing competition and has kept shipping fees higher than international standards by restricting the number of freighters for coastal shipping routes.

In the field of energy policy, the panel recommends that the government authorize the introduction of self-service gas stations where drivers fill up the gas tanks of their autos by themselves.

It blasts the current law qualifying only oil refiners to import oil products for driving up the prices of gasoline and other oil products by limiting competition with nonrefiner would-be importers.

In yet another major step to spur competition among gasoline retailers, the report recommends that the oil wholesalers and refiners stop paying "rebates" to gas stations in a bid to encourage each gas station to step up sales.

In the telecommunication business field, the report recommends that the government allow connections between public and private sound-based telecommunications networks.

#### Economic Council Issues Report on Deregulation

*OWI306081395 Tokyo KYODO in English  
0738 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — A prestigious advisory panel urged the government Tuesday to scrap or ease numerous legal and customary restrictions said to be hampering foreign access to the Japanese market, thus helping keep prices in Japan much higher than international averages.

The Economic Council, an advisory panel to Prime Minister Tomiichi Murayama, made the suggestion in an interim report, many of whose recommendations are expected to be integrated into the "new six-year economic program" now being compiled by the government.

The six-year program will replace the current five-year economic program sketched out by the 1991-92 administration of then Prime Minister Kiichi Miyazawa, the Economic Planning Agency said.

The Murayama administration has said compiling a new program has become necessary as the economic realities encircling Japan have rapidly became tougher in recent years, as the asset-inflated bubble economy burst in the early 1990s, stripping the economy of much of its vitality.

The preceding program called for transforming Japan into a "lifestyle superpower," where citizens would be able to enjoy the fruits of Japan's wealth.

The newly-compiled report says, "Japan should transform its economy into an open market system on both the domestic and international fronts so that full play can be given to the vitality of the economy and public prosperity on the basis of compliance with fair rules and market principles."

The government "should expedite deregulation and correct the cost-boosting structure of the Japanese economy to create new business ventures by activating competition and enabling companies to adopt business strategies freely," it said.

"Out of various customary commercial practices, the government should rectify those which have restricted competition, through the strict application of the anti-monopoly law and other measures," it said.

The 26-member council is headed by Gaishi Hiraiwa, former chairman of the Japan Federation of Economic Organizations (Keidanren). He once chaired Tokyo Electric Power Co.

In response to a request by Murayama, the council, together with 101 other academics and leading industrialists in related subcommittees, sketched out the report in 43 rounds of discussion.

Murayama asked the council Jan. 19 to hammer out a "long-term economic program designed to transform Japan into an economy open to the international community where people could live in prosperity and a sense of security, while contributing to the progress of the global society."

Murayama also asked the members to come up with "specific measures needed to alleviate the present mood of Japan being trapped in a closed situation" felt by the public.

In line with these instructions from the premier, the council's report carries serious warnings about the difficulties from which Japan must escape, including the

effects of the great Hanshin earthquake and the sarin attack on Tokyo subways in March.

"A combination of the lingering after-effects of the bursting of the bubble economy, recent rapid exchange rate fluctuations, and criminal incidents which have threatened the security of Japanese society, has negatively affected the psychology of businesses and consumers, thereby raising concern about the economy's ability to recover and its direction," it said.

Concerning unemployment in Japan, which is being aggravated by the soaring yen, the report said the government should strengthen an information network for jobless people, involving greater cooperation between the public and private sectors.

The government should also consider widening the scope of jobs for which private manpower agencies are authorized to act as fee-earning recruiters.

The panel also called on the government to create conditions more conducive to greater investment from overseas, and which encourage imports.

It also recommended that the government step up efforts to ensure that financial institutions engage in sound lending and other business practices to "guarantee the stability of the financial system."

The government should impose stricter disclosure rules on businesses, so that the public can know the exact details of the products of financial institutions and the financial conditions of business firms, it said.

The government's program will be finalized around November after it hears opinions from various walks of Japanese society, Economic Planning Agency officials said.

A 10-week campaign to gather such views from the public will therefore start Tuesday, through such means as mail, fax and personal computer networks, the officials said.

#### Gist of Recommendations

OWI306080795 Tokyo KYODO in English  
0726 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The following is the gist of key recommendations and observations on an interim report compiled by the Economic Council, an advisory panel to the prime minister, on Tuesday.

The burst of the bubble economy, industrial hollowing out, the Jan. 17 earthquake and a recent nerve gas attack on the Tokyo subway have aroused public concern about social security.

Japan needs to review its economic and social system as these acute problems stem from long-simmering woes that have been left unresolved for five decades since the war.

The tenets of the new socioeconomic system should be unrestricted compliance with a free market mechanism and a freer system allowing individuals to build careers in accordance with their abilities.

Other tenets should be full participation in the international community and a greater emphasis on protection of the global environment.

Japan's social system and economy should become more open on both the domestic and international fronts. Japan should contribute to the welfare of the international community more actively.

Japan should pare down its trade surplus and make its economic growth more dependent on domestic demand. Japan should strive to engineer its economic growth in a more harmonious way with that of global society.

#### Coalition To Create Body To Reassess Economy

OWI306051895 Tokyo KYODO in English  
0449 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Leaders of Japan's ruling coalition parties, including Prime Minister Tomiichi Murayama, on Tuesday [13 June] decided to set up a consultative body to study ways to put the nation's feeble economic recovery onto a stable growth track, coalition party sources said Friday [day as received].

The move is in response to criticism that the government's official economic assessment does not reflect the actual state of Japan's economic activity, the sources said.

The reality on various economic fronts, such as the depression of the stock market and the unabated strength in the yen's value, appears to be inconsistent with the government's rather optimistic assessments, economists say.

The coalition parties will create the consultative body after the upcoming Halifax Summit of the Group of Seven industrialized countries, the sources said.

The latest economic assessment by the government was announced earlier Tuesday in a monthly report released by the Economic Planning Agency (EPA). The report acknowledges negative effects of the strong yen, but at a press conference EPA chief Masahiko Komura said fears that the economy may lose its upward momentum have not been realized.

"Weak indicators have become obvious in some parts of the economy lately, but my personal feeling is that

the danger of the economy weakening is not really any greater than a few months ago," Komura said.

The monthly report, submitted by Komura to a meeting of economic-related ministers, stated that the national economy is on "a trend of mild recovery as a whole." But cabinet ministers did not sound so optimistic.

International Trade and Industry Minister Ryutaro Hashimoto, for example, said at a separate press meeting, "I wonder if the weakening signs from the strong yen really remain (only) partial ... the situation does not allow much room for optimism."

At an informal meeting of cabinet ministers Tuesday morning, Hashimoto said, "I have a plenty of things to say about the EPA's economic report."

Yoshiro Mori, secretary general of the Liberal Democratic Party, one of the three coalition parties, said he will propose to the new consultative body that public funds should be used to resolve land deals, and measures should be adopted on financial and stocks issues, Mori said.

The EPA's economic report for June said some "weaknesses" could be observed in areas such as consumption, indicating a retreat from its judgment of the previous month.

In addition, Komura said, the sharp rise of the yen on the currency markets cooled corporate confidence as well as actual business in the manufacturing sector and small businesses.

Corporate confidence reported by the Bank of Japan (BOJ) last week was worse than originally forecast by the BOJ.

Since the BOJ report, Japanese stock prices have fallen sharply, and government measures announced last week to resolve the problem of bad loans in the financial sector discouraged investors as they saw no immediate effects from the measures, stock dealers say.

Asked about the stock price falls, Komura said it is necessary to keep in mind that excessive optimism or pessimism should both be avoided.

As to the possibility of another cut in the official discount rate from the current record low of 1.00 percent per annum, Komura said, "it cannot be said there is no room to cut it further."

New pump-priming measures are not necessary at present because the government has compiled the first supplementary budget for the current fiscal year for that purpose, he said.

### Surveys Predict Smaller Corporate Profits

*OWI206235695 Tokyo NHK General Television Network in Japanese 1006 GMT 11 Jun 95*

[Announcer-read report; from "NHK News 7" program]

[FBIS Translated Text] According to surveys by four research institutes affiliated with major securities firms, increases in corporate profits for this fiscal year are expected to be half to one-third of those predicted in March surveys due to the stronger yen.

The surveys predict that ordinary profits of major listed companies, excluding financial institutions, for this fiscal year will grow 6.3-10.5 percent, marking a two-consecutive-year increase. However, the increase rates have been reduced by half to one-third from those predicted in March. The latest surveys expect the yen's recent appreciation to have a serious impact on corporate business performance.

Those in the manufacturing industry, such as automakers and electric appliances makers, will see almost no increase in ordinary profits this year from last year because they have decreased exports due to the strong yen, according to the surveys. Meanwhile, the profits of those in the materials industry, such as chemical and steel companies, are expected to swell greatly as a result of restructuring and increased exports to Southeast Asian countries, where there are heavy demands.

The number of companies that have a gloomy view of the economy's future is increasing. In such a situation, industry-to-industry differences in business performance are expected to widen.

### Strong Yen Adversely Affecting Parts of Economy

*OWI306022695 Tokyo KYODO in English 0057 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The adverse effects of the strong yen are evident in some parts of the domestic economy, the Economic Planning Agency (EPA) said Tuesday [13 June] in a monthly report for June.

The report for May had simply said that the rapid foreign exchange movements were "feared" to have an adverse effect.

The agency stuck to its view, however, that the economy as a whole remains on "a trend of mild recovery." An EPA official said this was because sales of durable goods such as cars were firm in May.

"The strong yen is not having a minus effect on the actual economy," he said. But he noted it is affecting the corporate sentiment of small and medium-sized firms,

particularly in the manufacturing sector, as seen in the bank of Japan's "tankan" quarterly report last week on business sentiment.

"Attention needs to be paid to the effect of exchange rates on investment, employment and consumption in the future," he said.

New to the report was a phrase that "weak movements are apparent in some parts of the economy." The EPA official said "some parts" point to consumption, housing and employment, but said weakness in those areas is not the consequence of the yen's surge.

Compared with the report for May, the June report showed slight changes in the description of economic indicators. Housing starts are said to be on a "weak trend despite their still high levels," after posting two straight months of year-on-year decline.

In the previous month's report, housing starts were described as being at high levels.

The phrase "general improvement" for corporate confidence was weakened to "a mild general improvement."

Following the record unemployment rate of 3.2 percent in April, the June report noted that "severe conditions continue to be seen in employment." The phrase was more cautious than that seen in the previous month's report, when it had said that severity in the employment situation centered around the manufacturing sector.

#### MITI Approves Cuts in Electricity Rates

OWI306022395 Tokyo KYODO in English  
0132 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Ministry of International Trade and Industry (MITI) on Tuesday [13 June] approved cuts in rates by electric power companies to pass on to consumers some of the windfall profits from the yen's surge, MITI officials said.

The cuts will reduce the monthly electricity bill of an average household consuming 280 kilowatt-hours per month by an estimated 14 yen. The rate reduction will start in July.

Rate reductions by Japan's 10 major electric power companies since the fall of 1993 due to the yen's gains in the foreign exchange market have lowered the average household's monthly electricity bill by 107 yen.

The latest reduction will bring the cumulative benefit to consumers to 121 yen per month, according to the officials.

Among the 10 companies, Tokyo Electric Power Co.'s latest cut will bring the average household monthly

bill down by 125 yen since 1993, while the figure for customers of Kansai Electric Power Co. will come to 93 yen and of Chubu Electric Power Co. to 128 yen.

Based on the assumption of an exchange rate of 85 yen to the dollar and an oil price of 19 dollars a barrel, the total sum of money passing on to consumers will reach 300 billion yen in a year starting from July, MITI officials said.

#### Council To Encourage More Foreign Investment

OWI306004595 Tokyo KYODO in English  
0001 GMT 12 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — A government council issued a statement Tuesday [13 June] with a set of policy guidelines to boost foreign investment in Japan, which is one-tenth of Japan's investment in other parts of the world.

The Japan Investment Council, chaired by Prime Minister Tomiichi Murayama, adopted the statement at a meeting Tuesday.

The council, comprised of cabinet ministers, was formed in July 1994, following a cabinet decision that Japan needs to boost its foreign investment here as a way to revitalize its economy.

The amount of direct investment by foreign businesses in Japan totaled 4,155 million dollars in fiscal 1994, only about 10 percent of Japan's 41,051 million dollar investment in other countries that year.

Moreover, the ratio of foreign investment to gross domestic product (GDP) stood at 0.42 percent for Japan in 1992, compared with 7 to 8 percent for the United States and France, more than 19 percent for Britain, and more than 3 percent for Germany, according to records provided by the Economic Planning Agency.

In the 12-point guideline, the council said Japan should encourage foreign investment by providing comprehensive assistance to prospective foreign investors.

Assistance includes deregulation to reduce investment costs, providing tax and financial incentives, improving complaint handling and helping recruitment of necessary manpower.

The business community is asked, the panel said, to improve the investment environment by, for example, ensuring the transparency of deals.

The government will also respond to requests by foreign businesses here in order to stimulate mergers and acquisition in Japan.

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The council's efforts will be helped by a group of experts including foreign business representatives here that will hold a meeting twice a year, the statement said.

The council's immediate task is to review the law on foreign investment and imports, which expires in May 1996.

**Ministry Approves BOT Debenture Issues**

*OWI306034295 Tokyo KYODO in English  
0319 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Finance Ministry has agreed to let the Bank of Tokyo [BOT] continue to issue bank debentures for six years from next April when the bank and Mitsubishi Bank merge to form the Bank of Tokyo-Mitsubishi, industry sources said Tuesday [13 June].

After the merger, the branches handling the debentures will be limited to those owned by the Bank of Tokyo, however, the sources said.

They will offer one-year "warito" discount debentures, and three- and five-year "ritto" interest-bearing debentures, they said.

Issue terms will be referred to in merger documents the two banks will submit to the Finance Ministry shortly. The ministry is expected to give the informal go-ahead to the merger by the end of the month.

At present, the Bank of Tokyo and five other banks are qualified for issuing such debentures. The others are the Industrial Bank of Japan, the Long-Term Credit Bank of Japan, Nippon Credit Bank, Shoko Chukin Bank and Norinchukin Bank.

**MOF Rejects Stock 'Price Keeping Operations'**

*OWI206130195 Tokyo KYODO in English  
1247 GMT 12 Jun 95*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Vice Finance Minister Kyosuke Shinozawa said Monday [12 June] he has no intention of invoking "price keeping" operations [PKO] despite a sharp price fall on the Tokyo stock exchange.

Shinozawa told a news conference that Monday's stock plunge stemmed from various factors, including uncertain economic conditions, the strong yen and bad loans held by financial institutions.

Shinozawa, however, disclosed that the ministry diverted postal insurance funds to shore up the stock market in the past.

Prices plummeted on the Tokyo stock exchange on Monday as investors were displeased with a package

of measures to stabilize the financial system released by the ministry last week, traders said.

Shinozawa said the ministry carried out a price keeping operation with public funds when stock prices dipped to a low of 14,309 in August 1992 following the collapse of the bubble economy.

He expressed doubt that using additional funds for price keeping operations will be effective this time, saying a considerable amount has been used in the past.

Market officials oppose the price keeping operation, claiming stock prices are decided on the demand-supply situation.

**Keidanren To Support Entry of Foreign Firms**

*OWI106145295 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 10 Jun 95 Evening Edition p 1*

[FBIS Translated Text] The Japan Federation of Economic Organizations [Keidanren] will support foreign firms' entry into the Japanese market. By creating a new system, this major economic body will introduce its member companies, which desire to procure foreign products, to foreign enterprises. It will also issue a statement encouraging foreign investment in Japan as early as next week. This decision stems from Keidanren's judgment that it is necessary for the private sector to launch its own measures to correct the Japan-U.S. trade imbalance. The plan is expected to be incorporated into a joint statement to be formulated by the Japanese and U.S. Governments at working-level negotiations under the bilateral economic Framework talks in mid-June.

As a first step toward expansion of foreign product procurement, Keidanren will jointly sponsor a seminar with the American Chamber of Commerce and Industry in Japan (ACCJ) in mid-September. Major business firms belonging to Keidanren will explain the process to purchase foreign products and parts. By inviting 300 foreign companies to the seminar — mostly from the United States — Keidanren will introduce domestic firms to foreign enterprises eager to sell their products to Japan. Furthermore, it is now considering setting up an intermediate organ between domestic and foreign companies, and providing information about foreign product procurement to domestic firms.

As for foreign investment, Keidanren's international business committee will issue a "statement concerning the expansion of direct foreign investment and imports to the nation." In its statement, Keidanren, will call not only for the efforts of Japanese companies, but also of the Japanese Government to strive for the expansion — for example, lifting the ban on establishing holding companies

The U.S. Government has been asking the Japanese private sector to formulate measures to help U.S. firms' entry into the Japanese market. Given this situation, Keidanren judged that demonstrating its determination to open the market is a must to prevent Japan-U.S. relations from becoming aggravated after the failure of bilateral auto negotiations. This will be the first statement by a private economic body clearly indicating its stance on promoting market opening. However, Keidanren cautions: "This is not a commitment to increase foreign product procurement by our member companies."

#### Fewer Local Governments Giving Housing Loans

OW1306093295 Tokyo KYODO in English  
0847 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The number of local governments providing housing loans to residents began to decline in fiscal 1994, the Construction Ministry reported Tuesday [13 June].

The ministry, citing its survey of 732 local entities, including Tokyo's 23 wards, said 619 or 84.6 percent of the total offered housing loan services to residents, a decrease of four from the preceding year.

Ministry officials predicted that the number will not increase because residents are also eligible for similar services provided by central and prefectural governments.

The survey showed that a variety of 1,365 types of housing loans were in place, including 329 systems for workers, 293 for seniors and the physically handicapped, and 249 for the general public, the ministry said.

The ministry said 76 percent of the total number of loans carried a fixed interest rate while the ratio of those with variable interest rates stood at less than 1 percent, the ministry said.

#### Murayama Given Mandate in Setback for Shinshinto

OW1306110295 Tokyo KYODO in English  
1015 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Diet on Tuesday [13 June] handed the year-old coalition cabinet of Prime Minister Tomiichi Murayama a continued mandate, rejecting a no-confidence motion by the main opposition party Shinshinto (New Frontier Party) in the House of Representatives.

The ruling coalition of Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger] demonstrated a united front in killing the no-confidence

motion by an overwhelming vote of 290 to 189 during a lower house plenary session.

The three parties hold combined 293 seats in the 511-seat lower house, while Shinshinto controls 171 seats.

The Japanese Communist Party, which holds 15 seats, also voted for the no-confidence measure, but few from the coalition supported it or absented themselves from the voting.

"The Murayama cabinet has turned its back on political reform, and is rather retrogressing," Shinshinto head Toshiki Kaifu said before the voting at the lower house session.

"If the current government continues for long, Japan will find itself isolated in the world," Kaifu said.

But the opposition party had no chance of giving the coalition any serious jolt in the face of solidarity among coalition partners.

Before the session, the heads of the three ruling parties, Murayama, LDP's Yohei Kono, foreign minister, and Sakigake's Masayoshi Takemura, finance minister, agreed to oppose the motion.

The lopsided vote rather underscored the fact that Shinshinto has no effective means to shake the coalition despite the opposition party's intention to "display its reason for existence" as party head Kaifu said.

The coalition refused a call by some of its members for dissolving the lower house for a snap general election because the SDPJ is ill-prepared for any quick poll and an annual summit meeting of the Group of Seven (G-7) industrial countries in Halifax, Canada, is imminent.

Murayama, however, will soon face a more serious test for the survival of his government in a July election of the House of Councillors, which is expected to deliver a severe defeat to his SDPJ.

If the SDPJ sustains a major loss in the poll, as predicted, Murayama will have no way to avoid taking the responsibility, probably by resigning his post, political analysts say.

On Tuesday, the lower house also turned down no-confidence motions against Speaker Takako Doi and Vice Speaker Hyosuke Kujiraoka, and a motion demanding the dismissal of Shozaburo Nakamura as chairman of the steering committee, all of which were also proposed by Shinshinto.

The motion against Doi was dismissed by a vote of 298 to 186, the motion against Kujiraoka 299 to 184, and the motion against Nakamura 292 to 190.

Shinshinto's move was not so much a serious attempt to force Murayama to resign or call a snap poll as a publicity stunt for the coming upper house election, analysts said.

The opposition party wanted to make clear its criticism of the Murayama government and grab voters' attention amid rapidly waning support for the party, they said.

Some of the leading Shinshinto lawmakers, including Ichiro Ozawa, secretary general, however, had been cautious about tabling the motion because of the slim chances of passage.

Also skeptical about the step were members like former Prime Minister Morihiro Hosokawa, who were concerned that if the ruling coalition were to take up the gauntlet and move to dissolve the lower house, it would be Shinshinto that would be in trouble.

But the party leadership finally decided to go ahead with the motion to assuage the increasingly vocal criticism by disgruntled young party cadres, who argue the party has failed to fashion a well focused political strategy to battle against the powerful ruling coalition.

#### **Murayama Appreciates Diet Confidence Vote**

*OWI306130895 Tokyo KYODO in English  
1253 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Prime Minister Tomiichi Murayama expressed appreciation Tuesday [13 June] for the Diet's rejection of a no-confidence motion against his one-year-old coalition cabinet.

"In reviewing this one-year period, I appreciate that an opportunity was given to the Diet to vote on whether or not to trust the cabinet," Murayama told reporters in the Diet building.

"I would now like to deal with matters with a fresh determination and try to continue to make this administration win trust and meet public expectations," he said.

In a plenary session, the House of Representatives voted 290-to kill the no-confidence motion put forward by the main opposition party, Shinshinto (New Frontier Party).

Murayama said he did not choose to dissolve the House of Representatives and call a general election because he has to deal with several urgent issues.

He said he has been advised to call a general election now that a new electoral system is in place and have the public express their approval or disapproval of the recent Diet resolution marking the 50th anniversary of the end of World War II.

Some ruling coalition officials proposed that Murayama call a snap election, saying Shinshinto is not sufficiently prepared for one.

The prime minister also said he is not currently thinking about reshuffling his cabinet. A senior government official said the rejection of the no-confidence motion means that Murayama's entire cabinet won approval.

"With the rejection of the no-confidence motion, Prime Minister Murayama is now set to leave for the summit tomorrow with new credentials," government spokesman Kozo Igarashi told a news conference.

The chief cabinet secretary added the Murayama administration will strive to tackle a number of pressing tasks at home and abroad.

Murayama, who assumed office last June, will leave for Halifax, Canada, on Wednesday to attend an annual summit of the Group of Seven economic powers.

Officials of the three ruling parties — Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], the Liberal Democratic Party (LDP) and New Party Sakigake — showed relief as the Diet turned down the opposition motion.

LDP Secretary General Yoshiro Mori said the Diet's confidence helped strengthen the tripartite alliance and solidify Murayama's cabinet.

SDPJ Diet Affairs Committee Chairman Churyo Morii also said unity among the three parties was strengthened.

A senior LDP official said Shinshinto apparently did not even aim at trying to pass its own motion.

Shinshinto head Toshiki Kaifu, a former prime minister, said public opinion is not necessarily in agreement with the Diet's decision to dismiss the no-confidence motion.

Kaifu said his party will seek public support in a House of Councillors election scheduled for July 23.

Murayama's SDPJ is widely expected to lose many seats in the upper house election, and it is likely the premier would resign as a result of the poll, said Yuichi Ichikawa, Shinshinto's policy affairs chief.

#### **Speaker Doi Survives No-Confidence Motion**

*OWI3060652 Tokyo KYODO in English  
0610 GMT 13 Jun 95*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The House of Representatives on Tuesday [13 June] rejected by a majority vote a no-confidence motion against Speaker Takako Doi.

The motion, submitted by Shinshinto (New Frontier Party), is the first of a series of motions presented by the

main opposition party and to be voted on in the lower house Tuesday.

It will be followed by votes on a no-confidence motion against Vice Speaker Hyosuke Kujiraoka, and a motion demanding the dismissal of Shozaburo Nakamura, chairman of the Steering Committee, and a no-confidence motion against Prime Minister Tomiichi Murayama's Cabinet.

With all motions subject to signed ballots, it should take about four and a half hours to see the results of all votes.

The no-confidence motion against Doi was rejected by a vote of 186 to 298.

A no-confidence motion against Kujiraoka was also rejected, by a vote of 184 to 299.

In an address to his Social Democratic Party [of Japan] legislators before the no-confidence vote against his cabinet, Murayama said it is a good opportunity to seek public confidence in his administration.

"Just a year has passed since the inception of this cabinet, so this might be a chance to dissolve the lower house and call a snap election to seek public support," Murayama said.

"But the situation (dissolving the house) is difficult, and so this may offer a good chance, in a sense, to seek the support of the Diet for the results (the cabinet has achieved) during this past year," the premier added.

#### Igarashi on Rejection of No-Confidence Motion

OW1306114595 Tokyo Asahi Newstar Television Network in Japanese 0940 GMT 13 Jun 95

[Statement by Chief Cabinet Secretary Kozo Igarashi in the prime minister's office on 13 June — recorded]

[FBIS Translated Text] We are sorry to have occasioned you any anxiety, but the Diet has just rejected a no-confidence motion. In a way, this enables Prime Minister Murayama to depart for the Group-of-Seven summit tomorrow with the new credentials.

One year has passed since the inauguration of our cabinet, and it was a good opportunity to make an appeal to the confidence of the Diet. The confidence motion against the prime minister was rejected by a wide margin, and this showed the cabinet has the confidence of the Diet.

However, we still have many pending domestic and foreign affairs issues, and we have to manage difficulties in the current economic situation. We will further brace our spirits to meet public expectations, and try our best to grapple with the political situation while paying attention to the opinions of opposition parties.

#### MITI Announces Reshuffle of Senior Officials

OW1306132495 Tokyo KYODO in English  
1243 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Ministry of International Trade and Industry [MITI] said Tuesday [13 June] Tadashi Ezaki, head of its Consumer Goods Industries Bureau, will replace Yoki Kawada as director general of the Agency of Natural Resources and Energy.

Yuji Kiyokawa, chief of the Basic Industries Bureau, will assume the post of director general of the Patent Office to succeed Akira Takashima, the ministry said.

Kinji Atarashi, of the trade minister's Secretariat, will replace Tetsuo Nakata as director general of the Small and Medium Enterprise Agency, it said.

Osamu Watanabe will remain chief of the Machinery and Information Industries Bureau in order to continue dealing with the automobile trade dispute between Japan and the United States, ministry officials said.

#### 'Comfort Women' Compensation Fund Discussed

OW0906114095 Tokyo KYODO in English  
1121 GMT 9 Jun 95

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The government will subsidize a planned private fund to compensate women forced into wartime sexual slavery for Japanese soldiers so the fund will also be able to support social welfare measures for women as a whole, government sources said Friday [9 June].

The government decided to spend its money through the fund to finance medical and other social services for women, including the so-called former "comfort women," conducted by foreign organizations, the sources said.

They said the government made the decision after the private fund project came under fire by domestic and foreign groups supporting the former sex slaves, saying the government is evading its responsibility for the women by depending on private funding.

The complete content of the fund, tentatively called the Asia Peace and Friendship Fund for Women, will be announced in the middle of next week, the sources said.

The fund reportedly aims to collect 1 to 2 billion yen from private groups in order to pay consolation money to the women, with letters from Prime Minister Tomiichi Murayama.

Chief Cabinet Secretary Kozo Igarashi said in April, "There is no alternative to this project for expressing our remorse to the disgraced women."

Historians estimate that up to 200,000 women, mostly Koreans but also Filipinas, Chinese and Dutch, were held in front-line brothels for Japanese Imperial Army soldiers before and during World War II.

#### New Liability Law Prompts Recall of Products

*OWI006081395 Tokyo KYODO in English  
0730 GMT 10 Jun 95*

[FBIS Transcribed Text] Tokyo, June 10 KYODO — A growing number of drug and medical equipment makers have voluntarily recalled defective products ahead of the enactment of the Product Liability Law on July 1. Health and Welfare Ministry officials said Saturday [10 June].

Under the law, which is designed to protect consumers from injuries and other damage caused by defective products, makers of these products will be held liable for damages.

In April last year, the ministry made it mandatory that pharmaceutical and medical equipment manufacturers report and recall for repairs their products whenever defects are discovered.

They said recalls reported to the ministry surged to 66 in fiscal 1994 from only a few cases in the preceding year.

The officials said 45 cases involved medical apparatuses, while 20 were for drugs and one for cosmetics.

Since April this year, 12 recall cases have been reported, including a case in which human hair was found in blood products for genetic engineering.

The officials said the increase is attributable to the fact that makers hope to avoid responsibility for damages once the Product Liability Law goes into effect.

The officials said doctors who continue to use such defective products will be held responsible for negligence rather than the makers.

The officials welcomed the growing awareness on the part of manufacturers since their products are directly linked to human lives and health.

#### Mitsubishi, Honda Motors Merger Predicted

*OWI206055195 Tokyo BUNGEI SHUNJU  
in Japanese Jul 95 p 231*

[Unattributed report from "The Marunouchi Confidential" column: "Follow-Up on Mitsubishi-Honda Merger"]

[FBIS Translated Text] The report of the large-scale merger of Mitsubishi Motor Corporation (with Nobuhisa Tsukahara as its new president) and Honda Motors

Co. (with Nobuhiko Kawamoto as president) to create "Mitsubishi-Honda Motors [Mitsubishi-Honda Jidosha]" has now come to bear credibility. When this column took up the report in the February 1995 issue, a supreme executive of a top-ranking automaker said: "I cannot quite believe the report." He added: "However, now that it has been officially decided that the Mitsubishi-Tokyo Bank will be created, efforts to lay a foundation for merging the two enterprises has been completed."

Meanwhile, new Mitsubishi Motors Chairman Hirokazu Nakamura has assigned Tsukahara, "who is regarded as the so-called private chief cabinet secretary," as new president. "This personnel arrangement must have been made while taking the possible merger into account" (according to a top Mitsubishi group executive). It is observed (by the same executive) that: "Mr. Nakamura's strategy is to become chairman of the new big corporation, which will stand between No. 1 and No. 2 in the auto industry."

Another top Mitsubishi executive feels that: "Nakamura's intention lies in retaining Vice President Motoo Suzuki, who is known as prince of Mitsubishi Motor, to make him the most likely candidate for taking over Mr. Kawamoto's post." The same executive also states: "Not known outside the company, Tsukahara himself states that he has never met with reporters. When Nakamura assigned Tsukahara to take over, I felt that Mr. Nakamura must be pondering the merger very seriously."

Powerful support for the birth of the Mitsubishi-Honda Motors Corporation lies in the facts that Mitsubishi Bank serves as the main bank for both Mitsubishi Motors and Honda Motor and the Bank of Tokyo maintains close relations with both companies. Top business executives have no doubt about the fact that current Mitsubishi Bank Chairman Kazuo Ibuki will serve as go-between in promoting the merger of these two big automakers.

#### Post-COCOM Weapons Trade Environment Viewed

*OWI106002095 Tokyo DRC in Japanese May 95  
pp 10-11*

[Article by Hiroshi Ikawa, Research Committee, Defense Research Center (DRC); Director, Miltech; Rear Admiral, Maritime Self-Defense Force (MSDF), retired]

#### [FBIS Translated Text] 1. Seeking Way in Post Cold War World

As the confrontation between the East and West became increasingly severe following World War II, the West launched COCOM to prevent the outflow of advanced military science and technology to the East as a way

to counter the huge quantity of Eastern military forces by maintaining a qualitative advantage. Though there have been many changes in COCOM restrictions since then, by and large it succeeded in maintaining the West's qualitative advantage, becoming a factor leading the West to victory in the Cold War. After the Cold War ended with the disintegration of the Soviet Union, COCOM was abolished on 31 May 1994. A new organization to replace COCOM was planned to be launched on 1 April 1995, but it has been delayed because the countries concerned have not yet reached an agreement.

At Stanford University, a forum entitled "Export Control of Dual-use, Advanced Technology: Relationship with National/Economic Security" was held in October 1993, slightly before the abolition of COCOM. The conference brought together more than 40 participants, including national institutions and private firms as well as the research staff of the university. I came to learn of this forum's outline when I recently visited Professor John Harvey, who was one of the forum's promoters.

The forum sets the priority target of the post-COCOM organization as preventing the proliferation of weapons of mass destruction. The proliferation of weapons of mass destruction was also regarded as a grave threat in other places I visited in my recent travels, including U.S. armed forces in the Pacific, the Pacific Forum, the Air Force Material Command, and the Defense Department. Since the Cold War, the potential of a large-scale world war has been reduced but the fear of regional conflicts has rather increased partly because of the weakening of control in both the West's and East's camps. If the proliferation of weapons of mass destruction were to be added to this, regional conflicts would be more dangerous. I thus have no objection to the statement that it is an extremely serious issue, but since this issue has already been put under the control of many organizations such as the London Guidelines (nuclear weapons), the Australia Group (chemical and biological weapons) and MTCR (missiles), I think that it can be dealt with by further enhancing control by these organizations.

## 2. Proposing Roles for Post-COCOM Organization

Aiming at improving the transparency and openness of armaments focused on the transfer of weapons, fostering confidence between countries and preventing excessive accumulation of armaments, Japan and the nations of the European Community (EC) countries jointly proposed in 1991 a "UN registration system for the transfer of conventional weapons." This was adopted in December 1991, and reports based on it started in 1992.

In the second round of reports, in 1993, 81 countries — about half the UN member countries — submitted reports. However, no reports have been submitted by countries attracting world attention, including Iran, Iraq, North Korea, Saudi Arabia, Rwanda and Somalia. Also, the UN simply published the submitted information together but has not made any analysis of it.

If the new organization to be created after COCOM can identify the regions where there are dangers of conflicts by analyzing the information in those reports and take action to prevent the transfer of weapons to the countries in these regions by utilizing the experience of COCOM, the objectives of the registration system will be achieved more effectively. Also, it is desirable that as many countries as possible participate in this organization and that all UN member countries submits reports.

## 3. Protecting Advanced Technology

To prevent conflicts in the post Cold War period in which threats are unclear and to deal effectively with conflicts in case they occur, it is required in particular for advanced industrialized countries to improve the quality of weapons through efforts to develop high-performance weapons based on advanced science and technology. It would be right to prevent the proliferation of the fruits of these efforts. However, as the enemy is not clear, it is not possible to apply restrictions by distinguishing between enemies and allies as was done with COCOM.

Under the present situation in which the distribution of goods and intelligence is becoming more active while defense budgets are being cut in many countries, new weapons are developed more and more as joint enterprises between countries. Therefore, in the future, it would be suitable to set weapons and technologies as the main restricted items by adopting the concepts adopted with patents, with the countries concerned with each weapon system forming a group and preventing the proliferation of advanced technologies related to the system outside the group.

## 4. International Cooperation

As was asserted at Stanford University, international cooperation is indispensable for controlling trade in and the exports of weapons. Japan has decided not to export weapons to foreign countries by establishing the Three Principles on Weapons Exports. However, the provision of weapons technology to the United States is allowed as an exception. The joint development of FS-X is under way as a part of this policy. Therefore, cooperation with the United States is also necessary for the control of trade in and the export of weapons. In my last visit

to the United States I was able to present this idea and also recognized the opinions of the U.S. side to a certain degree, but I also felt we should continue efforts to promote the understanding of other opinions by exchanging them whenever we have an opportunity.

#### **U.S., Japanese Military Simulation Compared**

*OWI 106022995 Tokyo DRC in Japanese May 95  
pp 21-22*

[Report of 18th Defense Research Center overseas survey team (DRCT-18) by Mitsuhiro Matsuzaki, Ph.D., Defense Research Center (DRC) Research Committee; adviser, NEC Corp.; and vice admiral, Maritime Self-Defense Force (MSDF), retired]

#### **[FBIS Translated Text] 1. General Impressions**

The United States, while reducing its defense budget, is both developing leading-edge technology to prepare for possible threats and maintaining the best possible military forces in a state of readiness with excellent command of the military technology at the highest level. When I visited U.S. Army bases and other institutions on our recent trip, I could not help admire again the sure policy and abilities of the United States, which is aiming to remain the world leader in the political, economic, and diplomatic areas with such a military force behind it.

Our investigation targets — Command, Control, Communications, and Intelligence (C3I), simulation, robots, technology-for-technology (TFT), Theater Missile Defense (TMD), and arms control — are also interests of the United States. Everywhere we visited, people gave us briefings with confidence, speaking earnestly about their ideas and experiences as those responsible. We could also hear accounts of their hard experiences, for example the priority between and integration of the plans of the four military services, systems construction, software development, cost reduction, and the joint use of engineers by different members of the military services. In regard to military unit management, I was particularly interested in the use of personal computers by commanding officers and the extended use of simulation following the development of C3I.

Individuals in the places where DRCT-18 visited for the first time seemed to have such doubts as: "Why do they come here? Is there anything in this for us? Have they not come to steal our technology?" However, we were welcomed wherever we went. The investigation team makes it a point to reach mutual understanding with persons concerned on the U.S. side by having repeated direct and frank conversations to make every effort to establish bonds for Japan-U.S. cooperation and to seek

further promotion of Japan-U.S. technical cooperation through these conversations.

Now that I have completed the tour, I strongly feel that U.S. expectations of Japan are as great as ever. I often heard such old but new issues as these: the two countries should cooperate with each other to maximize security during a time of reduced defense budgets; Japan, one of the major democratic countries, should assume its international responsibilities; the U.S.-Japan Mutual Cooperation and Security Treaty may have to be reviewed in the post Cold War age. Technical exchanges are an important factor for both countries, and Japan is expected to provide consumer technology; and TMD is a defense system which is Japan, too, needs.

#### **2. U.S. Military Simulation**

The Simulation, Training and Instrumentation Command (STRICOM) handles various levels of simulators for use as training instruments; in equipment operation, targets, and threats; with communications networks used as tactical trainers in cooperative operations; and those with added factors of mutual contact between forces deployed in an extended area. By using a high-performance computer, these training simulators can also serve as simulators for use in actual fighting. In actual fighting, simulation allows one to conduct operations to their best advantage based on extended use of computations.

The Defense Modeling and Simulation Office (DMSO) is positioned under DOD's Director of Research and Evaluation (DR&E) together with the Advanced Research Projects Agency (ARPA). The DMSO is an office for guiding efficient modeling and simulation operations under four-service cooperation made necessary in part due to reduced military budgets. With each military service dispatching one officer of colonel, captain or commander rank, a total of four representatives are assigned under the top officer, who is selected by turns from each service. This office is intended to provide guidance from research to acquisition of simulations. He is also to create an environment contributing to cooperative training, defense policy, tactics, operation planning, and combat situation judgment. The environment serves to foster a close reinforcing relations between training, operations, and acquisition.

At TBE, Inc., we were introduced to the Extended Air Defense Simulation (EADSIM) of U.S. Army Space Strategic Air Defense Command. This is a systems level simulation using workstations for use by persons involved in developing tactics and logistics and by operation commanding officers in order to evaluate the effects of TMD and air defense systems against air

threats. The systems are presently used by the United States and its allies, including the United Kingdom, at more than 200 sites all over the world. They were reportedly used in the Gulf War, and proved to be very helpful. The picture was powerful enough, with a three-dimensional map of the Defense Mapping Agency projected in three dimensions as the strategic map and the trajectories of the missiles of both sides also projected in three dimensions, giving one the powerful feeling of being there.

### 3. Japan's Response

Simulations in Japan are, in effect, at the skill training level. I have heard that an imaging system for use by commanding officers in maneuvering and training is under development. But the scale of our activities in terms of human resources, organization, and budget is considerably inferior compared to the United States. The United States focuses on technical developments to reduce expenses, and simulation is truly a technique aiming to improve the cost effectiveness of training and actual combat.

In Japan, there is a recent trend to stress defense budget reductions, but it is still necessary to apply control in order to be safe even in the time of peace and provide secure defenses for possible emergencies. In addition to this, as a preparation for the future, R&D in logistics equipment should be promoted steadily, and simulation technology should also be developed as defense technology. Simulation developments should stress the use of commercial technology as well as the overall study required by the defense area, systems construction, and software investments.

Japan-U.S. technical cooperation is the main pillar in our system of bilateral mutual cooperation and security, and Japan should attempt to cooperate by promoting technology exchange with the United States, which has abundant experience and a high level of technology. Simulation is applicable to the administration of large-scale forces and will be a star in the future defense technology. Japan and the United States are presently executing joint training accompanied by unit movements and command center maneuvers, in part by using combat simulation, and it is expected that future training will be accompanied by more advanced and practical simulation. I believe that, to prepare for this, it is also desirable for Japan to participate in the simulation technology cooperation that the United States expects from Japan.

### North Korea

#### 'General Agreement' in Nuclear Talks With U.S.

*BK1306041695 Kuala Lumpur THE STAR in English 13 Jun 95 p 2*

[FBIS Transcribed Text] Kuala Lumpur — The United States and North Korea have reached general agreement in their nuclear talks here and negotiators are poised to leave here today after more than three weeks of discussions.

The delegation heads wrapped up their talks at a final meeting at the North Korean Embassy here last night.

"We have come to a general agreement on an ad referendum text [as published]," Mr Thomas Hubbard, the US Deputy Assistant Secretary of State for East Asian and Pacific Affairs, told reporters after his meeting with North Korean Vice Foreign Minister Kim Kye-kwan.

"We do not expect to meet again in Kuala Lumpur. We have finished our work here. It will be up to our capitals to decide when and in what form to announce any agreements that we have reached in Kuala Lumpur," said Hubbard.

He is expected to fly back today after the marathon talks that began here on May 20. A North Korean Embassy official confirmed that Kim and two remaining delegation members will return to Pyongyang today.

Hubbard and Kim had met for half an hour earlier in the day and both sides issued similar statements that they had discussed the "tentative understanding" they had reached over the weekend and would be consulting their capitals.

Kim told newsmen before the meeting that he planned to go home today regardless of whether any agreement was reached.

However, Hubbard issued a statement that they expected to continue meeting in Kuala Lumpur.

Three more members of the eight-man Pyongyang delegation left on Sunday. Signs of weariness over the lack of progress at the talks began to surface last week when North Korea recalled two members of the delegation last Tuesday.

At stake is the Geneva framework agreement reached between the two countries to replace Pyongyang's suspect nuclear programme.

The stumbling block in the discussions is North Korea's rejection of two light-water reactors from South Korea.

**'Joint Press Statement' on Nuclear Talks**

*SK1306104495 Pyongyang KCNA in English  
1031 GMT 13 Jun 95*

[**"Joint DPRK-U.S. Press Statement"** — KCNA headline]

**[FBIS Transcribed Text]** Pyongyang, June 13 (KCNA) — A joint press statement between the Democratic People's Republic of Korea and the United States of America was issued in Kuala Lumpur today.

The statement reads:

The delegations of the Democratic People's Republic of Korea (DPRK) and the United States of America (U.S.) held talks in Kuala Lumpur from May 19 to June 12, 1995, with respect to implementation of the DPRK-U.S. agreed framework of October 21, 1994.

Both sides reaffirmed their political commitments to implement the DPRK-U.S. agreed framework, and with particular regard to facilitating the light-water reactor (LWR) project as called for in the agreed framework, decided as follows:

- I -

The U.S. reaffirms that the letter of assurance from the U.S. President dated October 20, 1994 concerning the provision of the LWR project and interim energy alternatives continues in effect.

The Korean Peninsula Energy Development Organization (KEDO), under U.S. leadership, will finance and supply the LWR project in the DPRK as called for in the agreed framework. As specified in the agreed framework, the U.S. will serve as the principal point of contact with the DPRK for the LWR project. In this regard, U.S. citizens will lead delegations and teams of KEDO as required to fulfill this role.

- II -

The LWR project will consist of two pressurized light-water reactors with two coolant loops and a generating capacity of approximately 1,000 mw(E) [megawatts electric] each. The reactor model, selected by KEDO, will be the advanced version of U.S. origin design and technology currently under production.

- III -

The Commission for External Economic Relations representing the DPRK Government and KEDO will conclude a supply agreement at the earliest possible date for the provision of the LWR project on a turnkey basis. On the basis of this statement the DPRK will meet

with KEDO as soon as possible to negotiate the outstanding issues of the LWR supply agreement.

KEDO will conduct a site survey to identify the requirements for construction and operation of the LWR project. The costs of this site survey and site preparation will be included in the scope of supply for the project.

KEDO will select a prime contractor to carry out the project. A U.S. firm will serve as program coordinator to assist KEDO in supervising overall implementation of the LWR project; KEDO will select the program coordinator. A DPRK firm will enter into implementing arrangements as necessary to facilitate the LWR project.

- IV -

In addition to the LWR project, the two sides decided to take the following steps towards implementation of the agreed framework.

Experts from the two sides will meet in the DPRK as soon as possible in June to agree on a schedule and cooperative measures for phased delivery of heavy fuel oil in accordance with the agreed framework. KEDO will begin immediately to make arrangements for an initial delivery of heavy fuel oil, subject to conclusion of the above agreement.

The DPRK-U.S. record of meeting of January 20, 1995, on safe storage of spent fuel will be expeditiously implemented. In this regard, a U.S. team of experts will visit the DPRK as soon as possible in June to begin implementation.

**Radio Version**

*SK1306101595 Pyongyang Korean Central Broadcasting Network in Korean  
0900 GMT 13 Jun 95*

**[FBIS Translated Text]** A joint information [kongdong podomun] between the DPRK and the United States of America was released in Kuala Lumpur, Malaysia, on 13 June.

The joint information reads as follows:

The joint information between the DPRK and the United States of America:

In Kuala Lumpur from 19 May to 12 June 1995, the DPRK delegation and the U.S. delegation held negotiations on implementing the DPRK-U.S. framework agreement of 21 October 1994.

The two sides reaffirmed their political commitment [chongchijok kongyak] to implement the DPRK-U.S. framework agreement. In particular, they reached the following decision as regards the issue of pushing for

the light-water reactor project in conformity with the framework agreement:

1. The United States of America reaffirms that the letter of guarantee dated 20 October 1994 by the U.S. President guaranteeing supplies of light-water reactors and alternative energy sources is still valid.

Under the leadership of the United States of America, the Korean Peninsula Energy Development Organization (KEDO) guarantees the supply of funds and facilities for the light-water power plants that will be supplied to the DPRK in conformity with the framework agreement.

As pointed out in the framework agreement, the United States of America is the basic counterpart [kibon sangdaeja] to the DPRK in the project of supplying light-water reactors.

In this connection, the citizens of the United States of America will serve as the heads of a KEDO delegation and a working-level group so the United States of America can fulfill its role as the basic counterpart [kibon sangdaeja].

2. The light-water reactors will consist of two pressurized light-water reactors with two coolant loops and a generating capacity of approximately 1 million kilowatts, respectively.

The model of atomic reactors selected by KEDO will be an improved version of the U.S. design and technology [miguk solgyewa kisurui kyeryanghyong] that have currently been introduced into production.

3. The External Economy Commission representing the DPRK Government and KEDO will conclude an agreement on supply of the light-water reactors on a turnkey basis [yolswoe nomgyojugi chokonuro] at the earliest possible date.

On the basis of this information, the DPRK will conduct negotiations with KEDO at the earliest possible date on the outstanding issues of the agreement on supplying light-water reactors.

KEDO will conduct a site survey with a view to determining the requirements for the construction and operation of the light-water reactors. The costs of the site survey and site preparations will be included in the scope of the supply of the light-water reactors.

KEDO will select a prime contractor [chugyejakcha] that will carry out the project for supplying the light-water reactors. Assisting KEDO, a U.S. firm will serve as a program coordinator [kyehoek chojungja] that will supervise the general implementation [chonban ihaeng] of the project of the light-water reactors; KEDO will select this program coordinator [kyehoek chojungja].

A DPRK firm will join in implementing the arrangements, which are necessary to push for the project of the light-water reactors.

4. In addition to the project of the light-water reactors, the two sides decided to take the following measures to implement the framework agreement:

Experts from the two sides will conduct negotiations in the DPRK at an early date during the month of June, and will reach an agreement on a schedule and cooperative measures [hyopcho chochidul] for the phased delivery of heavy oil in accordance with the framework agreement.

KEDO will begin to immediately take necessary measures so that the first shipment of heavy oil can be supplied subject to the conclusion of such an agreement.

The record of the DPRK-U.S. experts' meeting dated 20 January 1995 concerning the safe storage of the spent fuel will be implemented immediately. In this connection, a delegation of U.S. experts will visit the DPRK to begin the relevant implementation at an early date during the month of June.

[Date] 13 June, 1995, Kuala Lumpur

**Paper Demands Dismantling of U.S. Foreign Bases**

*SK1306103795 Pyongyang KCNA in English  
1003 GMT 13 Jun 95*

[*"Dismantlement of Overseas Military Bases of Aggression Called For" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — MINJU CHOSON today dedicates a signed article to the lapse of 25 years since U.S. military bases were dismantled in Libya.

Such an event has proved that people's struggle for the building of a new society against imperialist aggression and intervention will emerge victorious, the article says, and continues:

Today the Libyan people are waging a stubborn struggle for the defence of the national dignity and independent development of the country, defying repeated military pressure and economic blockade from imperialists.

The Korean people are actively supporting and extending firm solidarity to the efforts of the Libyan people to build a new society free from all manner of domination and subjugation under the uplifted banner of independence against imperialism.

The anachronistic power policy of the imperialists is now condemned and rejected by peoples of all countries who love peace and progress.

Military bases of aggression and military occupation of other countries, the leftovers of the Cold War era, should be terminated.

The United States must be keenly aware of the requirements of the times and immediately pull its military installations from South Korea and other parts of the world.

#### **Indefinite NPT Extension at Conference Opposed**

*OW1306003495 Tokyo KYODO in English  
2332 GMT 12 Jun 95*

[FBIS Transcribed Text] Nagasaki, June 13 KYODO — North Korea cannot approve the indefinite extension of the Nuclear Nonproliferation Treaty (NPT) as long as the nuclear powers do not commit themselves to a timetable to achieve complete nuclear disarmament, a North Korean Foreign Ministry official said Monday.

So Chang-sik, section chief of disarmament, said in an interview with KYODO NEWS SERVICE that by failing to set a time frame for the ultimate scrapping of nuclear arsenals when making the treaty permanent at a review conference in New York in May, the NPT condones the existence of "inhumane" nuclear weapons.

North Korea, which has suspended its membership of the NPT in protest to the International Atomic Energy Agency's calls for special inspections of its nuclear facilities, did not attend the conference.

So also said the United States and Russia bear major responsibility in cutting nuclear arsenals, while the other nuclear powers — Britain, China and France — would have to join in later depending on the number of their nuclear weapons.

In connection with the North's request to Japan to provide rice supplies, So confirmed that this year's crop has dropped, but would not reveal to what extent.

When asked whether the North Koreans do have enough to eat, he avoided a clear-cut answer asking rhetorically, "look at me, I'm not fat, but do I look as if I was starving?"

So was eager to confirm that the North's de facto leader Kim Chong-il is as much "venerated" by his people as his father, the late President Kim Il-song who died last July.

He stressed that the younger Kim, who has not officially assumed his father's top posts, is actually the supreme leader of the North's ruling Communist Party, the country and its military.

#### **Radio Rejects Dialogue With ROK 'Puppets'**

*SK1306123195 Pyongyang Korean Central Broadcasting Network in Korean  
0655 GMT 13 Jun 95*

[Dialogue between station reporters Chong Song-kang and Yi In-chun: "The South Korean Puppets Cannot Be Our Partner for North-South Dialogue"]

[FBIS Translated Text] [Yi In-chun] How are you?

[Chong Song-kang] Fine. How are you?

[Yi] Fine. While calling for resuming dialogue, the Kim Yong-sam ring is talking loudly these days as if it had the will for dialogue and reunification. Let us discuss this today.

[Chong] Okay. The puppet Kim Yong-sam clique's ravings about resuming dialogue is a trick and deceptive maneuver aimed at shielding the huge crimes it has committed so far, at maintaining power, and at committing new grave crimes. As you know, the puppet Kim Yong-sam clique has viciously maneuvered to isolate and crush [apsal] us, playing the role of a shock brigade of the international reactionary forces. This has already been exposed to the world. Clinging to the international reactionary forces, the puppets headed by Kim Yong-sam are making all sorts of loathsome acts to break off the DPRK-U.S. agreement and reverse the situation to (?press) us. We can say the call for a resumption of dialogue by the Kim Yong-sam ring — which pursues a so-called international cooperation opposing fellow countrymen rather than the great national unity based on reconciliation and dialogue, playing into the hands of outside forces without a national independent position — is nothing but idle talk aimed at disguising its acts of treachery as patriotic.

[Yi] I agree. It is indeed ridiculous that the puppet Kim Yong-sam clique, which is frenziedly engaged in crushing the patriotic forces that desire reunification by invoking the fascist and anti-reunification National Security Law, is talking about resuming dialogue.

[Chong] It really is.

[Yi] The reactionary National Security Law of South Korea identifies the North as an enemy and regards all contact and dialogue with the North as a violation of the law. It is an unprecedently vicious, anti-national, fascist, and evil law. Because of this law, those who attempt to contact and hold dialogue with the North are oppressed, and the nation's reunification movement is faced with a grave challenge.

[Chong] That is right.

[Yi] The South Korean religious figures who recently visited the tomb of Tangun, the progenitor of our nation, on the fifth millenary of the founding of the nation have recently fallen victim to the National Security Law by the mere reason of visiting the North. If Kim Yong-sam truly wants dialogue and reunification, he must abolish the anti-Republic and anti-dialogue National Security Law above all else.

[Chong] You are right. The puppet Kim Yong-sam clique is driving the situation to the brink of war by waging a worthless war of commotion, running counter to the country's peace and independent and peaceful reunification. This is indeed another intolerable criminal act that breaks off the atmosphere for dialogue and disturbs the peace. Dialogue and war commotions cannot coexist. This is well proved by the history of dialogue. While talking about dialogue, the puppet Kim Yong-sam clique is engaged in an arms buildup; meets frequently with outside forces to form a war conspiracy; and conducts daily war exercises against us in the air, ground, and sea. How ridiculous it is that these warmaniacs talk about resuming dialogue and the like!

[Yi] It really is. It is the Kim Yong-sam ring that has infiltrated various fighters and warships into our territories and that continuously conducts military provocations around the Military Demarcation Line and inside the DMZ. Because of these maneuvers by the South Korean warmongers, the danger of war has been increasing on the Korean peninsula, not peace or an atmosphere for dialogue.

[Chong] That is right.

[Yi] The puppet traitor Kim Yong-sam and his traitorous group talk about dialogue while conducting these war commotions against their dialogue partner. This can be done only by brazen-faced people.

[Chong] Correct. The traitor Kim Yong-sam and his traitorous group are not qualified to talk about dialogue. The reason the Kim Yong-sam clique calls for resuming dialogue is to shield its real intention and attempts to crush us in collusion with outside forces and establish the South Korean [word indistinct] system on the Korean peninsula. It is impossible to guarantee reconciliation and unity between the North and South, or a peaceful atmosphere with the traitorous Kim Yong-sam clique as it now exists. The entire nation will (?only face another disaster). Accordingly, the Kim Yong-sam ring must step down from power.

[Yi] I absolutely agree with you. Let us now conclude today's discussions.

Dailies Laud ROK Workers' 'Massive Struggle'  
SK1306051295 Pyongyang KCNA in English  
0447 GMT 13 Jun 95

["S. Korean People's Massive Struggle Supported" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — Papers here today say that massive struggle of broad segments of the South Korean people for workers' right to existence and democracy is just.

NODONG SINMUN notes in a signed commentary that protests of broad segments of South Korean people including religionists, workers, students and dissidents against the brutal suppression of Telecommunication Co. labour unionists by the puppets are a manifestation of firm will of democratic forces not to tolerate the traitorous Kim Yong-sam group.

The analyst says:

The struggle of South Korean Telecommunication Co. unionists is a just one because there is no ground whatsoever for the puppets to take it as an object of their tough violence. The puppets are repressing the unionists at the point of bayonet, contending that the strike conducted by the unionists for a peaceful realisation of their just demand is "illegal." This is a high-handed fascist violence that can be done only by rude tyrants.

Such a behaviour of the Kim Yong-sam group proves, in the final analysis, that it has no power and will to settle disputes with workers through the medium of a peaceful dialogue and negotiations.

Upset by the people's struggle which is gaining stronger momentum with each passing day, the Kim Yong-sam group is resorting to appeasement and deception, while clamouring about "understanding" in a bid to put it down. "Smile policy" pursued by the ruffian who is brandishing sword does not go down with anyone, though.

The South Korean people will stage a more powerful struggle, not yielding to whatever suppression, appeasement and deception by the puppets so as to set fire to "Chongwadae" [presidential offices].

MINJU CHOSON says the Kim Yong-sam group must put an immediate halt to the crackdown upon the workers for right to existence and democracy and unconditionally release the arrested workers right forth, clearly seeing that it cannot extricate itself from the bottomless abyss of death.

**Paper Criticizes 'Suppression' of ROK Labor**

*SK1006002595 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 7 Jun 95*

[NODONG SINMUN 7 June commentary: "A Fascist Offensive Aimed at Annihilating Labor Movement"]

[FBIS Translated Text] The Kim Yong-sam fascist clique's suppressive maneuvers against the South Korean workers' struggle for democracy and the right to exist are being stepped up more viciously.

The Kim Yong-sam ring recently held a so-called ad hoc meeting of the relevant ministries and agencies participated in by the heads of the puppet Labor Ministry, Information Ministry, Supreme Public Prosecutors Office, and National Police Agency.

In the meeting, the fascist clique reconfirmed a hard-line policy that they cannot tolerate the Korea Telecom workers strike demanding the right to exist and democracy, branding the justifiable strike as an illegal collective action.

The puppets also raved that the labor-management dispute could aggravate other businesses as well and discussed formation of a so-called special ad hoc team to deal with labor-management relations in order to trample it in advance.

What the puppets said and did is part of their premeditated fascist offensive starting from the criminal scheme to realize the prolongation of their power by eradicating and annihilating the labor movement, which is heightening in South Korea with each passing day, by all means and thereby achieving their political stability.

The Kim Yong-sam ring is trembling from anxiety and fear confronted by the situation in which the advance of the democratic forces, including workers, is escalating with the approach of the local autonomy elections.

They are apprehensive that the workers' struggle calling for the right to exist and democracy may develop into an anti-government struggle that could destroy their scheme to realize the prolongation of power by promoting stability in the latter part of power through the upcoming local autonomy elections. This is why the Kim Yong-sam ring is issuing suppressive orders, raving about tough and resolute measures, and brutally suppressing the workers' just struggle.

The situation demands that the broad strata of democratic forces of South Korea, including workers, crush the fascist clique's reckless bayonet-wielding suppressive offensive with a united struggle. This is the only way for the South Korean workers to have a true organ-

ization capable of protecting and defending their rights and interests and to carry through their demands.

South Korea's Korea Telecom workers are firmly determined to resist the fascist clique's suppression and continue their struggle until their demands are filled. Other South Korean labor movement organizations, workers, students, and people of various strata are also waging a vigorous, continuous struggle to condemn and denounce the Kim Yong-sam ring's suppression of the labor movement, support the Korea Telecom labor union's struggle, and give it solidarity support. For instance, some 5,000 people from various walks of life held a large-scale rally at the Changchundan Park in Seoul denouncing the fascist clique's maneuvers for suppressing the labor movement, and some 2,000 university students held a rally of resolution to crush the suppression of the labor movement.

Hyundai Heavy Industry, Seoul Subway, and Ssangyong Heavy Industry resolved to strike one after another. Thus, the labor movement brushfire is about to spread all over South Korea.

The Kim Yong-sam ring is attempting to save the doomed fate of the fascist regime, which is declining with the bestial wielding of bayonets. This, however, will never succeed. Suppression with bayonets is not omnipotence.

The more the puppets wield bayonets, the greater will be the popular masses' resistance to them, which will ultimately lead to the puppets' destruction. The Kim Yong-sam ring should bear this in mind and immediately stop the fascist suppression against the workers and democratic forces.

**'Military Gangster' Replaces ROK Telecom Head**

*SK1006045795 Pyongyang KCNA in English  
0442 GMT 10 Jun 95*

["'Civilian' Veil Thrown Away" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — The traitor Kim Yong-sam a few days ago replaced Cho Paek-che, president of the telecommunication company of South Korea, with Yi Chun, a former Army corps commander of the puppet army and notorious tyrant, for the reason that Cho Paek-che did not "properly counter" the "illegal action of the labour union."

Commenting on this, NODONG SINMUN today says: This shows that the traitor Kim Yong-sam began enlisting military gangsters in the suppression of the workers' struggle, not content with "civilian"-veiled gangsters.

The analyst continues:

The appointment of a military gangster as president of the telecommunication company where the labour movement is brisk was motivated by the traitor Kim Yong-sam's vicious scheme to mercilessly suppress and stifle the labour movement and secure "stability of power" in the latter half of his office by the help of military dictatorial forces.

The Kim Yong-sam group has thrown away the "civilian" veil and is rattling the sabre.

This shows the days of the traitor Kim Yong-sam have come to an end.

The Kim Yong-sam group is rushing along the "road to death," "road to destruction," following in the disgraceful footsteps of the predecessors who dearly paid for their truculent military fascist rule which plunged South Korea into a sea of blood.

The Kim Yong-sam group must immediately stop the ruthless suppressive offensive against the workers and other people, clearly mindful of the fact that it cannot save its fate whatever suppression and military gangsters it may resort to.

#### **NDFSK Decrees 'Brutal Suppression' of Union**

*SK1106081195 Pyongyang KCNA in English  
0808 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — The spokesman for the Central Committee of the National Democratic Front of South Korea [NDFSK] published a statement denouncing the Kim Yong-sam group for its brutal suppression of democratic labour movement with fascist bayonet brandishing, according to Seoul-based radio Voice of National Salvation.

The statement says that the fascist violence of the Kim Yong-sam group such as calling out police forces to arrest leading unionists of the telecommunication company in Myongdong Cathedral and Chogye Temple on June 6 is a vicious declaration of war designed to nip the June general strike in the bud and totally stifle it and that it self-exposes that South Korea is the worst grave of human rights in the world.

It calls upon the 10 million workers to answer the last ditch effort of the Kim Yong-sam dictatorial group with a more powerful struggle for the release of the arrested unionists and fight it out to ostracise the Kim Yong-sam "regime".

The religionists should punish Kim Yong-sam, a heretic in the guise of a presbyter, and students and popular masses of other strata should bring about a storm to overthrow the "civilian" dictatorship in a firm solidarity with the workers, it says.

The NDFSK in league with the popular masses of all walks of life will conduct a more powerful patriotic war to do away with the Kim Yong-sam "civilian" dictatorial "regime," it adds.

#### **ROK Workers Protest 'Suppression' of Unions**

*SK1106084295 Pyongyang KCNA in English  
0837 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — An estimated 10,000 workers including the unionists of the telecommunication company and the KIA Motor Company reportedly held a rally in Seoul on Saturday to protest against the suppression of the labor union and vow to launch an all-out struggle.

The rally was sponsored by the Preparatory Committee for the General Federation of Democratic Labor Unions in South Korea.

At the rally the sponsor organisation announced that general strike would begin at some 100 work units on June 19 in case collective bargaining with the puppet authorities on wages and other issues fails to come to a success till June 17.

The organisation branded police raid on the Myongdong Cathedral and the Chogye Temple as a typical suppression of the labor union and vowed to launch a signature campaign to impeach the traitor Kim Yong-sam. It declared that the General Federation of Democratic Labor Unions including the unions of the Seoul Subway Company and the KIA Motor Company and some 100 units will be inaugurated this October.

After the rally, the unionists held a street demonstration.

In another development, 4,000 students and other people under the National Alliance for Democracy and Reunification held an all-people memorial service for national democratic martyrs at Songkyungwan University on Saturday and declared they would rise in an all-out struggle to defend human rights in labor and democracy.

#### **Kwangju Citizens Group Protests Labor Crackdown**

*SK1206053895 Pyongyang KCNA in English  
0456 GMT 12 Jun 95*

[ "Traitor Kim Yong-sam Denounced in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — Forty-three organizations of South Korea met on Friday to form a Kwangju Citizens' Measure Committee Against Unjustifiable Mobilization of Police and for the Guarantee of Labour and Human Rights. Among those

organizations were the Kwangju-South Cholla Provincial Alliance for Democracy and National Reunification, the Kwangju-South Cholla Provincial Federation of General Student Councils, the Kwangju-South Cholla Provincial Teachers' Council for Democracy and the Alliance for the Christian Social Movement, Seoul-based Christian Broadcasting System said.

At a press conference that day the measure committee accused the Kim Yong-sam group of issuing warrants for arresting and hunting leading unionists, even throwing police into the religionist buildings, and mercilessly violating the three rights of labour and human rights.

The committee declared that it would launch a full-fledged struggle for a peaceful settlement of labour issues and for the just demand of workers.

It also said that it would take a measure to protect the three rights of labour and human rights from being ignored and, if the situation grows worse, stage a struggle for denouncing and punishing the traitor Kim Yong-sam.

#### Buddhists Condemn 'Suppression' of ROK Workers

*SK1106081495 Pyongyang KCNA in English  
0812 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — The Central Committee of the Korean Buddhist Federation issued a statement on Saturday denouncing the Kim Yong-sam fascist clique for its unprecedently vicious suppression of the South Korean workers' struggle for the right to existence.

The statement said:

The Kim Yong-sam group broke into the Chogye Temple and the Myongdong Cathedral in Seoul on June 6 to take all the union leaders to police. This clearly showed once again that the Kim Yong-sam group is a vicious challenger to and violator of the workers' right to existence and democratic liberties and a heinous enemy of the workers.

The Kim Yong-sam group's ruthless fascist suppression of South Korean workers is a last-ditch effort of the doomed. This shows that its fate is on the verge of ruin.

The Kim Yong-sam group resorts to fascist suppression in a bid to survive the serious crisis in its rule, hold "local autonomous body elections" without much difficulty and secure "stability of government" in the latter half of its office, but it is a futile attempt.

The Kim Yong-sam group must immediately stop the suppression of the workers calling for the right to existence and democratic rights and unconditionally

release all the arrested workers, mindful of the fact that it cannot save its gloomy destiny.

The Central Committee of the Korean Buddhist Federation expresses the hope that the Buddhists in South Korea who hate evil and cherish love and mercy will continue denouncing the Kim Yong-sam group's raid on the Chogye Temple, join in the workers' movement of justice and render moral and material support to it.

#### ROK Religionists Continue Antiregime Struggle

*SK1106081495 Pyongyang KCNA in English  
0812 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — Religionists of South Korea staged anti-"government" struggle in protest against the fascist clique's brutal suppression such as hurling police force at the Myongdong Cathedral and Chogye Temple to arrest telecommunication co. leading unionists in a sit-in strike, according to a radio report from Seoul.

More than one hundred members of a Roman Catholic priests group of the Seoul Parish on June 9 staged an all-night sit-in struggle at the Myongdong Cathedral and held a meeting of the Council of Priests and released a statement demanding that the puppet government make an official apology for the police raid on the cathedral.

On the ninth of June, the side of the Myongdong Cathedral held two masses on the situation in protest against the police raid. It plans to continue such mass for three weeks running and hold mass on the situation for national reconciliation involving all the believers and churchmen throughout South Korea at the cathedral on June 13.

65 priests of the Wonju Parish decided to stage a hunger sit-in beginning on June 12 for an indefinite period in solidarity with the struggle of Roman Catholic organisations throughout South Korea.

In a related development, monks of the Pan-Buddhists Measure Committee against the June 6 infringement upon the freedom of religion held a two-day silent demonstration in Chogye Temple till June 9.

#### Paper Decries 'Suppression' of Religious Leader

*SK1106082695 Pyongyang KCNA in English  
0818 GMT 11 Jun 95*

["Kim Yong-sam Punishes His Teacher" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — The traitorous Kim Yong-sam clique held a trial against An Ho-sang, leader of Taejonggyo of South Korea, and his companion, who have been to the

northern half of Korea, and sentenced them to prison terms.

**NODONG SINMUN** today, commenting on this, charges that such suppression is a fascist action that can be done by the tyrant bereft of reason and beast who has no idea of morality.

The analyst says:

The traitor Kim Yong-sam is punishing his teacher on false "charges." The traitor, far from praising the righteous act of his teacher and encouraging him to continue it, incriminated it and penalized him. This is an immoral act contrary to courtesy.

This anti-ethical, anti-religion, anti-national, anti-reunification crime committed by the traitor Kim Yong-sam will never be forgiven.

It is only too natural that the South Korean religionists and people criticize and call for the overthrow of the traitorous Kim Yong-sam clique, a herd of immoral hooligans.

The Kim Yong-sam group should immediately stop persecution and suppression of the South Korean religionists. If the Kim Yong-sam group continues such suppression, lending a deaf ear to the demand of the people, the people will certainly punish the ruffians.

#### **Article Marks ROK's 'June Popular Resistance'**

*SK1206053695 Pyongyang KCNA in English  
0452 GMT 12 Jun 95*

[*"June Popular Resistance in S. Korea Marked"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — NODONG SINMUN on Sunday dedicated an article to the 8th anniversary of the June popular resistance in South Korea.

The resistance, which was triggered off by the designation of a "candidate for the president" from the "Democratic Justice Party", the military dictatorial party, on June 10, 1987, involved more than five million people from all walks of life including students, workers, office employees, the poor in cities and religionists, and lasted for over 20 days. It was an eruption of pent-up enmity and wrath of the South Korean people against the colonial military fascist dictatorship and an explosion of their strong desire for independence, democracy and reunification.

In the resistance the South Korean people dealt a heavy blow at the reactionary ruling quarters who were seeking to maintain the military dictatorship, and demonstrated their unshakable will to achieve the reunification of the

country, independent and democratic, free from outside forces and fascism, the author of the article noted, and said:

However, the desire of the participants in the June resistance for independence, democracy and reunification has not yet been realized due to the outside forces' domination over and interference in South Korea and due to the South Korean puppets' reactionary rule which is dependent on outside forces, fascist and vicious.

After seizing power the Kim Yong-sam group has been running headlong along the road of dependence on outside forces, North-South confrontation and war, division and fascism instead of national independence, national reconciliation, reunification, and democracy, turning its back on the nation and people.

Their traitorous rule is going to extremes these days.

The reality calls upon the South Korean people to retake the spirit of the June resistance and rise once again under the banner of this struggle.

The South Korean people must hold higher the banner of the struggle for independence against outside forces, democracy against fascism, and for national reunification in order to realize their desire. This is a precious lesson of the June resistance.

People in all walks of life in South Korea should never forget this historical lesson but turn out as one in the struggle against outside forces and fascism and for national reunification.

They must wage a valiant anti-fascist struggle under the slogan "Oust Kim Yong-sam" to cut off the windpipe of the "civilian government".

#### **Seoul Rally Marks Popular Resistance Anniversary**

*SK1106081895 Pyongyang KCNA in English  
0814 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — Paek Ki-wan, director of the Unification Study Center, and 170 other figures of all walks of life in South Korea held a rally in Seoul on June 9 on the 8th anniversary of the June 10 popular resistance and released a declaration on the situation, according to a radio report from Seoul.

In the declaration they called for carrying forward the spirit of the June 10, 1987 popular resistance and doing away with the anti-reform group and forces inciting inter-Korean confrontation in the upcoming "local autonomy elections".

**Paper Calls Chuche Idea Banner for Reunification**

SK1206102895 Pyongyang KCNA in English

1020 GMT 12 Jun 95

[**"Chuche Idea, Banner for Reunification and Prosperity"**  
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — NODONG SINMUN today describes the great chuche idea, a new man-centred philosophical idea, as an immortal banner and torchlight powerfully inspiring the entire nation to fight for national reunification and prosperity in that it makes them conscious of being masters and responsible for the solution of the reunification question and indicates the fundamental position and principle in the struggle for national reunification and the clear way of reunifying the country.

The paper says in a signed article:

The great leader Comrade Kim Il-song evolved the essence of the question of Korean reunification by applying the fundamental principle of the chuche idea in the affairs of the nation. This provided a firm ideological and theoretical basis to shape sound strategic and tactical policies for national reunification from a correct viewpoint and position toward the reunification question.

Comrade Kim Il-song said:

"Achieving the reunification of our country means linking the nation's severed blood vessels, bringing about national harmony and gaining national independence across the country. In other words, it concerns the fate of our fellow-countrymen; it is a matter vital to our nation."

The great chuche idea says that the entire Korean nation is the master of national reunification and plays a decisive role in accomplishing the cause of reunification. Accordingly, it demands that every issue related to reunification be approached independently with the nation placed in the centre and that the Korean nation make creative activities conducive to enhancing its position and role as master.

This demand is fully met by the line and policies of national reunification laid down by Comrade Kim Il-song.

He defined independence, peaceful reunification and great national unity as the three principles of national reunification on the basis of the immortal chuche idea. They are fundamental principles which enable the Korean people to defend their rights as master and discharge their duty and role as such in the settlement of the reunification question. They indicate the quickest way to reject outside interference and accomplish the

cause of national reunification by enhancing the independent and creative role of our nation to the maximum.

As Comrade Kim Il-song proposed to found the Democratic Confederal Republic of Koryo, a new way of building a confederal state in a divided country was lighted for the first time in history and the way of solving the reunification question independently and peacefully in conformity with the actual conditions of Korea and the common desire and interests of the nation was opened.

He also laid down the 10-Point Programme of the Great Unity of the Whole Nation by applying the principles of the immortal chuche idea. This enables our fellow countrymen to overcome all difficulties in the way of reunification and push ahead with the cause of reunification in the 1990s, full of new confidence and optimism.

**Asian Youth Symposium Supports Reunification**

SK1006044695 Pyongyang KCNA in English

0427 GMT 10 Jun 95

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — A symposium of Asian youths on peace was held in Seoul on June 2 under the sponsorship of the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

It was said at the symposium that only when Japan's return to militarism is checked and a struggle for Korea's reunification is staged, can peace of Asia be achieved and that youth and students should take the lead in a struggle for peace in Asia.

"Joint Agreement of the Symposium of Asian Youths on Peace" was published at the symposium. On the question of Korea's reunification, the document says:

We hold that a peaceful climate for the reunification of the Korean peninsula should be created right away.

Progressive youth and students of Asia want to see an early creation of peaceful, legal, institutional circumstances for Korea's reunification and will seek an active cooperation with the youth and students on the Korean peninsula for the reunification of Korea.

The joint agreement says that with a view to foiling Japan's attempt to revive militarism, all countries of Asia should hold in check Japan's conversion into a military power in firm solidarity and that all foreign forces and nuclear weaponry, a menace to peace in Asia, should be pulled out of the region.

All the progressive youth and students in Asia will mount a powerful struggle to drive out the sycophantic,

anti-national dictatorial "regime" and oppose unjustifiable pressure from foreign forces, adds the joint agreement.

**Japanese Groups Demand Improved Relations**

*SK1206151295 Pyongyang KCNA in English  
1503 GMT 12 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — Delegates of the People's Forum for the Promotion of the Normalization of Japan-DPRK Diplomatic Relations on June 7 met the prime minister of Japan and held that the government should make efforts for the improvement of relations with the Democratic People's Republic of Korea.

On the occasion they expressed regret at the fact that the 9th round of talks for the normalization of Japan-DPRK diplomatic relations has not yet been held even after an agreement for the resumption of the talks was adopted. The Japanese Government should more actively strive to normalize diplomatic relations under the present regime, they stressed.

The Japanese prime minister told them that it is unnatural that the Japan-DPRK relations have not been normalized even after 50 years have passed since the war and that he would make efforts for the normalization of Japan-DPRK diplomatic relations.

Meanwhile, the Ibareki Prefectural Liaison Council for Japan-Korea Friendship urged the Foreign Ministry of Japan to normalize Japan-DPRK diplomatic relations as early as possible.

Conveying a request to the foreign minister, delegates of the council demanded that the Japanese Government come out to the negotiations for the normalization of diplomatic relations in accordance with the historical three-party joint declaration and the four-party agreement.

**Anti-Japanese Independence Protest  
Commemorated**

**NODONG SINMUN Article Cited**  
*SK1006102395 Pyongyang KCNA in English  
1017 GMT 10 Jun 95*

["Independence Lies in Nationwide Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — NODONG SINMUN today dedicates an article to the 69th anniversary of the June 10 independence demonstration of the Korean people against the Japanese imperialists.

On June 10, 1926, hundreds of thousands of Korean people came out to streets in defiance of the bestial suppression by the Japanese imperialists and valiantly fought, shouting such slogans as "Long live independence of Korea" and "Japanese Army, get out of Korea".

The author of the article says:

Through the June 10 independence demonstration, the Korean people dealt a telling blow to the vicious colonial rule by the Japanese imperialists and fully manifested their indomitable will to retake their lost country and defend the dignity and sovereignty of the nation.

The desire of the participants in the June 10 independence demonstration to live in an independent and sovereign state with no aggressor and traitor has been realised only in the northern half of the country. South Korea is still a colony of outside forces.

In order to put an end to outside forces' domination of and interference in South Korea and achieve peace and peaceful reunification, it is imperative, above all, to remove the group of the traitor Kim Yong-sam, a pro-American and pro-Japanese flunkeyist and colonial stooge, in South Korea.

The Kim Yong-sam group begs for the permanent occupation of South Korea by the aggression forces, even donating "support fees" of billions of dollars. Not content with this, it has converted South Korea into a colonial military base of outside forces by continuing to introduce war equipment there.

The reality shows that with the Kim Yong-sam puppet clique left intact, the South Korean people can neither retake their lost national dignity and sovereignty nor can the peace and peaceful reunification of the country be achieved nor can the danger of a nuclear war hovering over the heads of the nation be removed.

The traitorous Kim Yong-sam group, a cancer harmful to the country and the nation, peace and peaceful reunification, must be overthrown without delay. Only then can the South Korean people escape from the position of colonial slaves and the whole nation realise the country's reunification with concerted efforts and establish national sovereignty throughout the country.

**Pyongyang Meeting Held**

*SK1006151695 Pyongyang KCNA in English  
1513 GMT 10 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — A Pyongyang meeting was held at the Central House of Workers today upon the lapse of 69 years since

the Korean people staged the June 10 independence demonstration against the Japanese imperialists.

The demonstration was an eruption of the wrath and resentment of the Korean people at the Japanese imperialists' cruel colonial rule and a patriotic mass struggle for retaking the lost country and establishing the sovereignty of the nation.

Entering the 1920s, the Japanese imperialists, who occupied Korea by force of arms, labeled their military rule as a "cultural rule" and intensified their colonial rule in a more vicious and crafty way.

Pressed beyond the limits of forbearance, the Korean people rose up in a mass demonstration against the Japanese imperialists on June 10, 1926.

That day, hundreds of thousands of people in Seoul took to the street and staged a fierce demonstration, shouting "Long live Korean independence!" And "The Japanese Army, out of Korea!" and scattering leaflets and manifesto. The demonstration rapidly spilled over Inchon, Taegu and other local areas.

In his report Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, said that through the demonstration, the Korean people fully displayed their indomitable will and patriotic spirit of not allowing the Japanese imperialists' Korean occupation and colonial rule.

Though 69 years have passed since the demonstration, he noted that independence has not yet been realised in the southern half of Korea. He charged that the U.S. imperialists have intensified the colonial domination, changing their stooges.

He strongly demanded that the United States must not block the South Korean people's struggle for independence and respond to the DPRK's proposal to establish a peace mechanism at an early date, clearly seeing the trend of the world and the will of the Korean nation for independence, and the Japanese authorities must no longer encourage the South Korean puppets to North-South confrontation and obstruct the peace and reunification of Korea but honestly apologize for the crimes Japan committed against the Korean people in the past.

He said that the South Korean people from all walks of life must struggle more staunchly to get rid of the Kim Yong-sam group, have the "National Security Law," an unheard-of fascist law, scrapped and establish an independent, democratic government.

Noting that the Korean people must open an epochal phase for national reunification this year marking the 50th anniversary of national liberation, Paek Nam-chun

called on all the Koreans in the North, the South and overseas to rise up in the struggle for a successful holding of the August 15 Grand National Reunification Festival, smashing challenge and obstructive moves of the separatists at home and abroad.

#### **Kim Chong-il Chongnyon Letter Studied Abroad**

**SK1006101195 Pyongyang KCNA in English  
1006 GMT 10 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — "On Developing the Movement of Koreans in Japan Onto a New Higher Stage," a letter sent by the great leader Comrade Kim Chong-il to the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan on the 40th anniversary of Chongnyon, has been studied and disseminated in foreign countries.

A joint seminar on the letter was held in Lima, Peru.

Speaking at the seminar Angel Castro Lavarello [spelling of name as received], president of the National Executive Committee of the Left Revolutionary Union of Peru, said the letter consummates the far-reaching plan of the great leader Comrade Kim Chong-il to further strengthen and develop Chongnyon, a brilliant fruition of the idea and leadership of respected Comrade President Kim Il-song on the movement of overseas compatriots, as indicated by his idea and intention.

Thanks to the letter of the great leader Comrade Kim Chong-il, Chongnyon has been able to uplift its honor as the most powerful and dignified organization of overseas citizens in the world and invigorate the activities for their national rights and the country's reunification, he said.

Seminars on the letter were held by the group for the study of the chuche idea of Comrade Kim Il-song of the Ministry of Education of Guyana and the Group for the Study of the Chuche Idea of Comrade Kim Il-song in Copenhagen, Denmark, and a reading session for the letter by the Group for the Study of the Chuche Idea at Lagos Technical University, Nigeria.

#### **Chongnyon Regional Offices Thank Kim Chong-il**

**SK1006042795 Pyongyang KCNA in English  
0417 GMT 10 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — Letters of thanks were sent to the great leader Marshal Kim Chong-il by the Hyogo, Fukushima, Tottori, Shizuoka and other prefectural offices of the General Association of Korean Residents in Japan (Chongnyon), upon receiving "On developing the movement of Koreans in Japan onto a new higher stage," a letter he sent to

**Chongnyon and Koreans in Japan on the 40th anniversary of Chongnyon.**

The letters say respected Marshal Kim Chong-il's letter marked a historical event in giving confidence and courage to the Chongnyon officials and compatriots in Japan and greatly inspiring the movement of Koreans in Japan in a new stage of its development.

They express firm resolution of the compatriots in Japan to repay General Kim Chong-il's deep trust and love with loyalty and singleheartedness by thoroughly fulfilling the tasks set by him in his letter, with the firm belief that guided by him, they will surely emerge victorious.

The letters wholeheartedly wish Marshal Kim Chong-il good health and a long life.

#### **Chongnyon Groups Denounce Blocking of Festival**

**SK1006044195 Pyongyang KCNA in English  
0421 GMT 10 Jun 95**

[FBIS Transcribed Text] Tokyo, June 8 [date as received] (KNS-KCNA) — Om Chang-pom, chairman of the Federation of Korean Traders and Industrialists in Japan; Pak Ku-ho, chairman of the League of Korean Youth in Japan; and Kim Il-sun, chairwoman of the Democratic Union of Korean Women in Japan, on June 6 published statements to the press denouncing the Kim Yong-sam group for its anti-reunification, anti-national attempt to block a grand national reunification festival which is scheduled to be held to commemorate the 50th anniversary of Korea's liberation from Japanese imperialist colonial rule.

They said the Kim Yong-sam group should immediately remove the checkbar lying in the road to reunification before facing a stern judgement by all the fellow countrymen and history.

They vowed to courageously fight together with all the fellow countrymen at home and abroad to grandly celebrate the significant August 15 of this year with the grand national reunification festival and reunify the country in the 90s.

#### **Overseas Koreans, Foreigners Visit Kim Statue**

**SK1006044395 Pyongyang KCNA in English  
0422 GMT 10 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — Home-visiting groups of Korean students in Japan Thursday laid floral baskets before the statue of the great leader President Kim Il-song on Mansu Hill and made bows.

Written on the ribbons hanging from the floral baskets are letters "The great leader will always be with us."

Earlier, delegations from Russia and China laid bouquets before President Kim Il-song's statue and made bows.

#### **Kim Yong-nam Meets PRC Foreign Ministry Group**

**SK1206151995 Pyongyang KCNA in English  
1509 GMT 12 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — Vice-Premier and Foreign Minister Kim Yong-nam met and had a friendly talk with the visiting friendship delegation of the Foreign Ministry of China led by Vice-Minister Tang Jiaxuan at the Mansudae Assembly Hall today.

Present there were officials concerned and the Chinese ambassador to Korea.

#### **WPK Secretary Meets PRC, Lao Party Groups**

**SK1206230795 Pyongyang KCNA in English  
1515 GMT 12 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA) — Choe Tae-pok, secretary of the Central Committee of the Workers' Party of Korea [WPK], today met and had a friendly talk with the delegation of officials of the Communist Party of China led by Xu Qing, deputy secretary of the Central Commission for Discipline Inspection of the party.

Present there was Kim Yang-kon, vice-director of a department of the C.C. [Central Committee], the WPK.

On the occasion Xu Qing said that the party and people of China are rejoiced as over their own over the achievements made by the Korean people under the leadership of Comrade Kim Il-song, Comrade Kim Chong-il and the Workers' Party of Korea.

He pointed out that the sorrowful death of President Kim Il-song is a great loss for the Workers' Party of Korea and the Korean people and that the party and people of China shared grief at the loss of a great friend with the Korean people.

Strengthening China-Korea friendship entirely conforms with the basic interests of the two parties and the two peoples and it is of weighty significance for peace and security in Asia and the world, he said. He expressed the belief that China-Korea friendship will strengthen and develop generation after generation.

On the same day secretary Choe Tae-pok met and had a friendly conversation with the delegation of the Lao People's Revolutionary Party [LPRP] headed by

**Thongsavat Khaikhamphithoun, member of the Central Committee and chief of the cabinet of the LPRP.**

The head of the delegation said that he witnessed the great achievements made by the Korean people in political, economic, cultural, defence and other fields under the leadership of the Workers' Party of Korea led by the great leader Comrade Kim Chong-il and that he learned much from the experiences of the WPK.

Referring to the favourable development of friendly relations between the two parties and the two peoples, he expressed support to the Korean people in their efforts for the independent reunification of the country.

**Film in PRC Honors Kim Il-song, Kim Chong-il**

**SK1006002495 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 6 Jun 95**

[FBIS Translated Text] A special show of our country's film "He Was Always on the Road for the People" was held at our country's embassy in China from 19 May to 1 June.

Participating in the film show were the deputy head of the International Liaison Department of the CPC Central Committee, functionaries of the Party Central School and the Ministry of the Public Security, and functionaries of the agricultural sector.

After seeing the film, the deputy head of the International Liaison Department of the CPC Central Committee said as follows: Through the film, we saw President Kim Il-song and Comrade Kim Chong-il wisely leading the country's overall works, including the work to promote the people's standard of living. The question of inheriting the leader's cause has been brilliantly solved in the DPRK. The role of the leader and the party, and the correct guiding idea are the most important factors in implementing the socialist cause and deciding the destiny of the revolution. The success of the revolution depends on what kind of a person the people uphold as the leader and the successor. This can be well seen in today's film and the history of the international communist movement.

The vice minister of public security said as follows: The death of President Kim Il-song was not only a big loss to the Korean people but to the international communist movement. Even though the president passed away, the Korean people have firmly rallied around the great leader [yongdoja] Comrade Kim Chong-il and are achieving great development in overall fields. We happily see the DPRK people's achievement. Under the leadership of Comrade Kim Chong-il, the DPRK is brilliantly carrying out its struggle against the U.S. imperialists. Through today's film, I came to know more

deeply about the DPRK. I came to know how much the DPRK people respect and follow President Kim Il-song and Comrade Kim Chong-il. I hope the DPRK people will build their fatherland more brilliantly under the wise leadership of Comrade Kim Chong-il.

The vice president of the Central Party School said as follows: We saw the film with deep appreciation. I came to know the great achievement accomplished by Comrade Kim Il-song and came to have a better understanding of the fact that Comrade Kim Chong-il is extraordinarily leading the DPRK's overall works. I truly hope that the Korean people will achieve greater success in their struggle to reunify their fatherland and to build their country by firmly rallying around Comrade Kim Chong-il. The entire life of Comrade Kim Il-song and the revolutionary activities of Comrade Kim Chong-il were consistent with the struggle for the happiness of the people and the reunification of Korea and the struggle opposing imperialism and protecting the world's peace and security. The idea of believing in the people as in heaven cherished by Comrades Kim Il-song and Kim Chong-il is a great idea. Even though socialism suffered a setback in some countries, it will unfailingly prevail.

**Young Koreans Group in PRC Holds 2d Forum**

**SK1006101995 Pyongyang KCNA in English 1010 GMT 10 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — The second conference of the Federation of Young Korean Citizens in China took place in Jilin, China.

The conferees observed a moment's silence in memory of the great leader President Kim Il-song.

The conference reviewed the work done since the inauguration of the National Alliance of Youth and Students for the Country's Reunification and discussed the future tasks.

The central leadership members of the federation were elected and a resolution was adopted at the conference.

The conference adopted a letter to the great leader Comrade Kim Chong-il.

**Central Committee Greets Russia's Yeltsin**

**SK1106084595 Pyongyang KCNA in English 0839 GMT 11 Jun 95**

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea today sent a congratulatory telegram to Russian President Boris Nikolayevich Yeltsin on the National Day of Russia.

The telegram wished the Russian people welfare, expressing the belief that the relations between Korea and Russia would continue to develop by joint efforts of the two countries.

**Ukrainian, Thai Delegations Arrive 10 Jun**  
*SK1006220495 Pyongyang KCNA in English  
1514 GMT 10 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA)  
— A delegation of the Ukraine-Democratic People's Republic of Korea Association headed by Chairman D.B. Golovko and a delegation of the National Education Commission of Thailand headed by Deputy Secretary General Amrung Chantavanich [spelling of names as received] arrived here today.

**Ukraine Group Visits Kim Il-song Statue**  
*SK1106080795 Pyongyang KCNA in English  
0804 GMT 11 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 11 (KCNA)  
— A delegation of the Ukraine-the Democratic People's Republic of Korea Association led by Chairman D.B. Golovko [spelling of name as received] on June 10 called at the statue of the great leader President Kim Il-song on Mansu Hill and paid homage to him.

Present on the occasion was Kim Hak-sop, minister of post and telecommunications and chairman of the Korea-Ukraine Friendship Association.

The guests laid bouquets before the statue of President Kim Il-song who devoted his whole life to the cause of global independence, and made a bow.

**Thai Education Group Visits Kim Il-song Statue**  
*SK1206053995 Pyongyang KCNA in English  
0458 GMT 12 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA)  
— The visiting delegation of the National Education Commission of Thailand led by Deputy Secretary General Amrung Chantavanich on Saturday called at the statue of the great leader President Kim Il-song standing on Mansu Hill to pay homage to him.

The guests laid bouquets before the statue and made a bow with deep reverence for the respected leader President Kim Il-song who had made unremitting efforts all his life only for the prosperity and development of the country, happiness of the people and the accomplishment of the cause of socialism.

**Army Chief of Staff Meets New Indonesian Envoy**  
*SK1006042895 Pyongyang KCNA in English  
0418 GMT 10 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA)  
— Choe Kwang, chief of the General Staff of the Korean People's Army, Friday met and had a talk with Zulkarnain Afri Pane, newly-appointed Indonesian ambassador E.P. [extraordinary and plenipotentiary] to Korea, who paid a courtesy call on him.

**Railways Delegation Returns From Vietnam**  
*SK1006100295 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 Jun 95*

[FBIS Translated Text] A delegation of our country's railways, led by Minister of Railways Pak Yong-sok, has returned home by train after attending the 23rd meeting of the Railway Cooperation Organization held in Vietnam.

The delegation was welcomed at Pyongyang Station by Kim Yong-sam, the chief of staff of the Ministry of Railways; functionaries concerned; and Duong Chinh Thuc, Vietnamese ambassador to our country.

**Cambodian Premiers Applaud Relations**  
*SK1206151795 Pyongyang KCNA in English  
1508 GMT 12 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 12 (KCNA)  
— His excellency Generalissimo Kim Il-song, the great leader, had always given mental and material support to the Cambodian people in the struggle for peace, and the people and the Royal Government of Cambodia will never forget his benefits.

Norodom Ranariddh, first prime minister of Cambodia, said this when he met with the Korean ambassador to Cambodia on June 6.

He said the Royal Government and the people believe that the special relations of friendship and cooperation between the two countries will further strengthen and develop under the wise leadership of his excellency Marshal Kim Chong-il, the great leader.

He went on:

"We will keep the position of recognizing the DPRK as the only legitimate government, but not South Korea." The South Korean authorities are hatching a plot over the provision of light-water reactors, but in vain.

The Royal Government will always support and encourage the Korean people in the struggle to reunify their country under the 10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the

Country advanced by his excellency the great leader Generalissimo Kim Il-song."

Hun Sen, second prime minister of Cambodia, said when he met the Korean ambassador on the same day that the friendly relations between the two countries are based on the deep intimacy between his excellency the great leader Generalissimo Kim Il-song and esteemed King Norodom Sihanouk.

The friendly relations have continuously developed over the past years, he noted, and stressed:

His Excellency Marshal Kim Chong-il who is successfully carrying forward the cause of his excellency Generalissimo Kim Il-song, the great leader, pays deep concern to the development of the friendly relations with Cambodia.

#### **Leaders Meet Outgoing Syrian Ambassador**

*SK1006220995 Pyongyang KCNA in English  
1515 GMT 10 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — Premier of the Administration Council Kang Song-san met and had a talk with Syrian Ambassador to Korea Yasir Farah when the latter paid a farewell call on him at the Mansudae Assembly Hall today.

Present on the occasion was Vice Foreign Minister Kim Yong-il.

Vice-Premier and Foreign Minister Kim Yong-nam also met and talked with the outgoing Syrian ambassador at the Mansudae Assembly Hall today.

#### **Brazil-Korea Friendship Association Formed**

*SK1006100595 Pyongyang KCNA in English  
1002 GMT 10 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 10 (KCNA) — An inaugural meeting of the Brazil-Korea Friendship Association was held in San Paulo on May 29.

Displayed at the meeting hall were famous works of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il and Korean books and handicrafts.

Member of the Political Committee of the Central Committee of the October 8 Revolutionary Movement of Brazil, was selected chairman of the association at the meeting [sentence as received].

The opening of the association building was proclaimed and a Korean art and handicrafts exhibition was opened.

The ceremony was addressed by the general secretary of the Central Committee of the October 8 Revolutionary Movement of Brazil and other figures.

The speakers said the association will contribute to deepening understanding and strengthening friendship between the peoples of the two countries by widely introducing among the Brazilian people the immortal feats performed by the great leader President Kim Il-song for the Korean people and humankind and the achievements made by the Korean people in political, economic, cultural and all other fields of social life under the wise guidance of his excellency Kim Chong-il, the great leader.

#### **Pyongyang Declaration Signed by 223 Parties**

*SK1306050595 Pyongyang KCNA in English  
0438 GMT 13 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The Pyongyang declaration "Let us defend and advance the cause of socialism" was signed on May 27 by the free motherland movement of Paraguay and the People's Democratic Party of Paraguay.

As a result, the number of political parties which signed the declaration totals 223.

#### **Pyongyang Citizens Leave 'To Produce More Rice'**

*SK1306072295 Pyongyang Korean Central Television Network in Korean 1100 GMT 8 Jun 95*

[FBIS Translated Text] Comrade Kang Song-il, a staff member of the Pyongyang Municipal Party Committee, volunteered to venture to the Ponghwa cooperative farm in Kangdong County.

The dear leader Comrade Kim Chong-il highly commended the deed of Comrade Kang Song-il who ventured to the Ponghwa cooperative farm in Kangdong County.

[Unidentified person] Comrade Kang Song-il, who departs for the Ponghwa cooperative farm in Kangdong County upon receipt of a considerate, handwritten letter of the respected and beloved General Kim Chong-il, must be filled with the determination to repay his confidence with loyalty.

[Kang Song-il] That is right. It is the consistent faith and will of our people and our party functionaries to uphold the general's leadership with loyalty as rifles and bombs and a handful of earth and coal for the great leader General Kim Chong-il. Bearing in my heart the great general's consideration in trusting and recognizing party functionaries, I will venture to the rural area to produce more rice for the pleasure and contentment of the great general. [applause]

Meanwhile, Comrade Han In-son, worker of the facilities section of the Hyangmanyu Restaurant, and Comrade Kim Su-sam, worker of the Kwangbok Department

Store, also volunteered to venture to the Changsan Co-operative Farm in Taedong County with their families.

[Han In-son] Upholding the great leader's behest and teaching, we will venture to the cooperative farm in Changsan-ri, Taedong County with a resolve to please the great leader Comrade Kim Chong-il with rice.

[Kim Su-sam] Following the behest of the fatherly leader is the duty of us youths. Nevertheless, the great leader Comrade Kim Chong-il commended our small deed and afforded us his great love and benevolence. Cherishing this love and benevolence, I firmly resolve to uphold the great leader Comrade Kim Chong-il even better. [applause]

#### Decision Made To Preserve Kim Il-song's Body

SK1306045195 Pyongyang KCNA in English  
0437 GMT 13 Jun 95

[*"Decision on 'Preserving the Great Leader Comrade Kim Il-song in Eternal State'" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The Central Committee [C.C.] of the Workers' Party of Korea [WPK], the Central Military Commission of the WPK, the National Defence Commission, the Central People's Committee and the Administration Council of the Democratic People's Republic of Korea published a decision on "preserving the great leader Comrade Kim Il-song in eternal state."

The decision reads in full:

Decision of C.C., WPK, Central Military Commission, WPK, National Defence Commission, Central People's Committee and Administration Council of DPRK

#### On Preserving the Great Leader Comrade Kim Il-song in Eternal State

It is nearly a year since respected Comrade Kim Il-song, the great leader peerless in our people's history of five thousand years, passed away while energetically working for the prosperity of the country, the happiness of the people and the victory of the socialist cause for more than 80 years.

All our party members and other working people more and more deeply miss and revere the great Comrade Kim Il-song as the days go by, feeling the nation's great fortune and honour of having had him as their leader.

The great leader Comrade Kim Il-song is the founder of our party and state, the father of socialist Korea, a brilliant thinker and theoretician, distinguished statesman and ever-victorious iron-willed brilliant commander who led the people's cause of independence to shining victory.

He founded the immortal chuche idea, led the anti-Japanese revolutionary struggle to victory, accomplished the cause of national liberation and established the glorious revolutionary traditions, a wealth of eternal value for our party and revolution.

He built a chuche-type revolutionary party, an independent government and invincible Revolutionary Armed Forces and resolutely smashed imperialist aggression so that our people's heroic stamina and indomitable spirit were demonstrated worldwide. He wisely led the revolution and construction at every stage, established the most advantageous socialist system centred on the masses and turned Korea into a powerful socialist country, independent, self-sufficient and self-reliant in defence.

Comrade Kim Il-song, the father of the nation, laid down the most reasonable reunification programme, wisely led the entire nation's struggle to reunify the divided country with the nation's own efforts and opened a bright prospect for national reunification.

The respected leader Comrade Kim Il-song with a resolute revolutionary principle and noble sense of moral obligation wisely led the struggle of the world's progressive people for socialism, national independence and peace and greatly contributed to mankind's cause of independence.

Under his leadership, the Korean nation, who suffered turns and twists in the past, have become a dignified and powerful independent people and revolutionary people who built an endlessly prospering socialist paradise in Korea and are resolutely defending the banner of socialism.

Comrade Kim Il-song is the eternal symbol of all the victories and glory of our people.

It is the firm resolution of our party and the unshakable faith of all our people to hold him, who gave us the glory and happiness and provided them with a bright future, in high esteem for all ages as the eternal leader of our party and people and the sun of chuche.

Today all our party members, People's Army officers and men and people are vigorously pushing ahead with the general onward movement for effecting a fresh upsurge in the revolution and construction by thoroughly fulfilling the behests of the fatherly leader Comrade Kim Il-song under the leadership of the party.

The Central Committee and the Central Military Commission of the WPK and the National Defence Commission, the Central People's Committee and the Administration Council of the DPRK decide as follows upon the lapse of one year since the death of Comrade Kim Il-song, reflecting the unanimous aspiration and desire

of the whole party, the entire army and all the people to successfully carry to completion the revolutionary cause of chuche started by him, preserving him in eternal state.

Firstly, the Kumsusan Assembly Hall where Comrade Kim Il-song wisely guided the affairs of the party and the state, the Korean revolution and the human cause of independence for many years will be renamed the "Kumsusan Memorial Palace" and Kumsusan area will be the supreme holy land of chuche.

Secondly, Comrade Kim Il-song will be laid in state as he was in his lifetime at the "Kumsusan Memorial Palace."

Thirdly, built in the "Kumsusan Memorial Palace" will be the "Chuche Idea Works Exhibition" fully showing the outstanding ideological and theoretical activities of Comrade Kim Il-song, who made an immortal contribution to the accomplishment of the popular masses' cause of independence by founding the chuche idea and developing and enriching it.

The Central Committee and the Central Military Commission of the WPK and the National Defence Commission, the Central People's Committee and the Administration Council of the DPRK firmly believe that all the party members, People's Army officers and men and people will win a new, greater victory in the efforts for making their country, their homeland more prosperous under the tested leadership of the party, holding him always in high esteem.

[Signed] WPK Central Committee

WPK Central Military Commission  
DPRK National Defence Commission  
DPRK Central People's Committee  
DPRK Administration Council  
[Dated] June 12, 1995.

**Kim Chong-il Said 'Iron-Willed Great Commander'**  
SK1106142995 Pyongyang Korean Central  
Broadcasting Network in Korean  
2235 GMT 10 Jun 95

[Unattributed talk: "Great General Kim Chong-il Is an Ever-Victorious Iron-Willed Great Commander"]

[FBIS Translated Text] In the slogans of the party Central Committee marking the 50th anniversary of the founding of the Workers Party of Korea, the need to look up to the great leader's lifetime intentions and to loyally uphold the respected and beloved comrade supreme commander is expounded.

Upholding the leadership of the respected and beloved General Kim Chong-il is a firm guarantee to ceaselessly

strengthen and develop our revolutionary Armed Forces and to resolutely safeguard and glorify the cause of our own style of socialism. This is because the great General Kim Chong-il is an ever-victorious iron-willed great commander who leads our revolutionary Armed Forces along the ever-victorious road with extraordinary military ideas and the art of military operations.

The great leader Comrade Kim Il-song taught: Comrade Kim Chong-il has an indomitable will and grit as well as excelling wisdom in the art of military operations befitting the supreme commander of the revolutionary Armed Forces. Herein lies the guarantee to endlessly strengthen and develop our revolutionary Armed Forces and make them invincible.

The respected and beloved General Kim Chong-il is a great military commander equipped with extraordinary military wisdom, prominent strategy and tactics, unrivaled grit, a strong will, and an outstanding commanding art. The military features of General Kim Chong-il as the ever-victorious iron-willed leader are just like the features of the great leader Comrade Kim Il-song who defeated two strong imperialists in one generation and who lives eternally in the hearts of our people and the world as a legendary hero and ever-victorious iron-willed great commander.

Military wisdom and resourcefulness are features and qualities that should be possessed by a great commander. The military wisdom and resourcefulness cherished by our respected and beloved General Kim Chong-il are conspicuous because they are so extraordinary and distinctive, and cannot be compared with any other world leader.

The respected and beloved general, who came to have matchless wisdom and who deeply grasped the great leader's chuche-oriented military ideas and theory from his younger days, has set forth numerous new and creative military ideas and war methods that match the concrete situation of our country and the characters of modern warfare, thus developing the chuche-oriented military theory onto a higher and more profound level. In addition, he is well versed with all branches of arms and the service, from the Army, the Navy, and the Air Force to the infantry, the artillery, and the armored corps; he has completely solved with brilliant wisdom all problems arising in military construction.

The great general's creative military idea and theory as well as his multifarious, profound, and extensive knowledge of military affairs cannot be discussed apart from his rare military wisdom. The resourcefulness cherished by the respected and beloved General Kim Chong-il is a brilliantly flexible tactic that will never suffer a setback under whatever deadlock, and will turn

disadvantage into advantage. It is also an ever-victorious tactic that ensures our victory by driving the enemy into a corner.

Truly, thanks to the great general's peerless military wisdom and unsurpassed resourcefulness, our People's Army and people are vigorously marching ahead along the road of chuche-oriented military construction, and are achieving brilliant victories in the political-military showdown with the imperialists.

Grit, will, and the commanding art are necessary features that must be cherished by a great commander of military affairs. The military leader who lacks grit and is not well versed in the art of military operations is not a great commander. The military leader who skillfully leads military affairs with indomitable grit and will can only be called a great general or a great commander.

Our general is an iron-willed leader who has unrivalled grit, a strong will, and peerless art in military operations. The grit and will cherished by the great general are unshakable, even in the face of an attack by tens of millions of enemy troops; he is confident of victory over any formidable enemy. The art of military operations is a slogan that unites the entire army, an extraordinary skill that moves the entire army as one, and a superb art of military operations that leads the military so as to skillfully utilize the chuche-oriented war method in fighting with the enemies. The grit, will, and art of military operations cherished by the respected and beloved General Kim Chong-il are displaying their indomitable power since they have been inherited from the great leader's matchless grit, iron will, and outstanding commanding art.

In the past, when the imperialists brought their massive armed forces into our territorial waters and threatened us on several occasions, our People's Army and our people protected the Republic's dignity without the slightest degree of surprise. When the imperialists increased their maneuvers, engaging in actual stages of mobilization and waging aggressive war exercises against us, we frustrated the wicked attempt by the enemies with large mobile exercises of the People's Army. All this was possible under the great General Kim Chong-il's grit that does not waver in thunder or storm — an iron-willed grit of unrivaled resourcefulness and distinguished commanding art.

Truly, the respected and beloved General Kim Chong-il is the great commander among great commanders who has all the qualities and features that should be cherished by a great commander at the highest level. The respected and beloved General Kim Chong-il is a great commander of our era who has strengthened the entire army into a crystal of loyalty and filial

duty toward the party and the leader with the most lofty benevolence. Lofty benevolence is an exceptional commanding feature cherished by the great general.

The great commander who leads the revolutionary army should have not only peerless military wisdom, resourcefulness, and commanding art but also lofty benevolence. When he is equipped with all these features, he can mobilize the masses of soldiers, not by orders but with heart, onto the stern field of decisive battle, instilling in them a resolute resolve and indomitable grit to sacrifice themselves.

The benevolence cherished by the respected and beloved General Kim Chong-il is the love and faith rendered by the benevolent father of our People's Army before that of the supreme commander, and by a great human being before that of a general who leads military affairs. Because the general has such lofty benevolence, he has highly evaluated the fighters who have made heroic feats in implementing military duties, has placed them on the eternal hill, has visited the guard posts on seashores or steep mountains, and has warmly looked after the military service life of soldiers of the People's Army with the affection of the father.

It was none other than our respected and beloved General Kim Chong-il who pinned hero decorations on the chests of the fighters and bestowed military titles on them; took commemorative pictures with the fighters; led them down the road of loyalty; and dearly looked after the health of every one of the soldiers of the People's Army. Such boundlessly-warm love and faith has given birth to loyalty and filial duty among the soldiers of the People's Army, and has further consolidated the entire army as iron-willed militant ranks that are single-heartedly united.

Today, our soldiers of the People's Army regard it as their greatest glory and boundless happiness to be the fighters of the respected and beloved general who is a reincarnation of human love, sharing their destiny with the generals and always living as loyal servants and filial sons and daughters. Contained in the slogan "Let us fight ahead by sacrificing our lives for great General Kim Chong-il," which the People's Army highly upholds, are the noble spiritual strength and life motto of the officers and soldiers of the People's Army who live and struggle as revolutionary fighters resolutely safeguarding General Kim Chong-il by becoming shields and fortresses.

The supreme commander has endlessly loved and taken care of those fighters with noble benevolence as well as those fighters who resolutely safeguard the supreme commander and devote loyalty and filial duty to pay back the supreme commander's benevolence. Thus, the

supreme commander achieved a single-hearted unity and blood ties between the leader and fighters that cannot be severed. Herein lies General Kim Chong-il's great commanding feature as an invincible and prominent great commander.

Truly, the respected and beloved General Kim Chong-il, the great leader [yongdoja] of our party and people, is an ever-victorious and iron-willed great commander who has brought up our people as an invincible strong army that cannot be defeated by any aggressors, possessed with prominent military features that the history of mankind does not know. Holding aloft General Kim Chong-il, the greatest commander, is the greatest glory and happiness of our people and the People's Army.

Because we uphold General Kim Chong-il, the iron-willed great commander whom the world's people invariably look up to, and because we receive the general's wise leadership, our People's Army has grown as the mighty revolutionary Armed Forces and is strongly prepared politically, ideologically, militarily. In addition, our country has grown as an indomitably strong country that exercises its sovereignty in a dignified manner and never forgives the imperialist aggressors any high-handed acts. Our people display the pride of being the people who staunchly march ahead along the road of socialism with their powerful revolutionary Armed Forces.

Our people will cherish deep in their hearts the pride and dignity of having the great commander, and will further uphold the respected and beloved General Kim Chong-il's leadership. Thus, we will strengthen the chuche revolutionary cause in every way and accelerate the historic cause of national reunification.

#### **Kim Chong-il's Paper on Party Work Viewed**

*SK1306113495 Pyongyang KCNA in English  
1008 GMT 13 Jun 95*

[**"Highly Important Guideline of Party Work" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — Twenty years have passed since the great leader Comrade Kim Chong-il published the famous work "On Some Problems Arising in Party Work at Present" on June 13, 1975.

The work gives a comprehensive exposition of problems in deepening work with cadres and masses by strengthening the party's internal work, strengthening the party life, establishing a revolutionary method of work among party officials and enhancing their political and technical qualification.

NODONG SINMUN in a by-lined article today says that the 20 years since the publication of the work are two decades of victory and glory which have fully proved the validity and invincible vitality of the chuche-based theory of party building advanced by respected Comrade Kim Chong-il.

The article goes on to say:

The great vitality of the work lies in having prepared all cadres to be true leading officials of revolution with infinite loyalty to the party and the leader by firmly building ranks of cadres and having based the party on firm mass foundations by strengthening work with masses.

It also lies in having brought a great turn in improving party workers' method and style of work and considerably enhancing their political and technical qualification.

The theory of party building set forth in the work has brought its invincible vitality into full play in our revolutionary practice and become a mighty ideological and theoretical weapon in strengthening the party and stepping up revolution and construction.

#### **South Korea**

#### **U.S.-DPRK Nuclear Talks Settlement Reported**

##### **'Complete Settlement' Reached**

*SK1206150395 Seoul KBS-1 Television Network  
in Korean 1433 GMT 12 Jun 95*

[From live KBS-1 Television program "News Line" by anchor Kil Chong-sop]

[FBIS Translated Text] This is a news report just in.

We have a news report that the North Korea-U.S. talks that are underway in Kuala Lumpur, Malaysia, have reached a complete settlement.

Here is our correspondent Nam Sung-uk:

[Begin recording] [Nam Sung-uk] Yes.

[Kil Chong-sop] Were the talks completely settled?

[Nam] Yes. At this moment, we believe so.

[Kil] Would you give us the news report compiled so far? Go ahead.

[Nam] Emerging this evening from his talks with Kim Kye-kwan, North Korea's vice foreign minister, Hubbard, U.S. deputy assistant secretary of state and the chief U.S. delegate, said they had agreed on the details of an agreement. The delegates of the U.S. and North

Korea had decided to temporarily return home tomorrow before putting their final signatures to the agreement.

Deputy Assistant Secretary Hubbard added that after having consultations with his home government, he would visit Seoul and Tokyo to hold consultations with the governments of the ROK and Japan.

Deputy Assistant Secretary Hubbard added that the governments of the two countries would decide as to future measures, including the signing of the final agreement.

At the time of October 1994, when an agreement was reached on the Geneva talks before the settlement of the talks, the chief delegates of the United States and the North, Gallucci and Kang Sok-chu, temporarily returned home. It appears the chief delegates of the two sides will return home tomorrow as a prearrangement to the signing of the final agreement.

The United States and North Korea have continued the negotiations for about three weeks since 20 May. In the middle of last week, they began working out a draft of the agreement. They reached the final settlement today.

It has been learned that two people — Kim Kye-kwan, chief delegate of the North Korean delegation, and Chong Song-il — will leave for Pyongyang by way of Beijing via the 13 June 0845 [2345 GMT] flight.

This has been Nam Sung-uk, KBS news, reporting from Kuala Lumpur. [end recording]

#### Kim Yong-sam Receives Clinton Letter

SK1306011895 Seoul KBS-1 Radio Network  
in Korean 0030 GMT 13 Jun 95

[FBIS Translated Text] Chongwadae [presidential offices] Spokesman Yun Yo-chun made an official announcement on the ROK Government's position regarding the settlement of the U.S.- DPRK light water reactor talks on the morning of 13 June. Following is a detailed report by Kim Chong-chin from Chongwadae.

[Begin Kim recording] Chongwadae Spokesman Yun Yo-chun revealed that U.S. President Clinton sent a personal letter to President Kim Yong-sam today in connection with the settlement of the Kuala Lumpur U.S.- DPRK light water reactor talks.

Spokesman Yun conveyed that in the personal letter President Clinton confirmed that the light water reactor to be provided to North Korea will be the ROK standard model atomic power plant as stipulated in the agreement on the establishment of the Korean Peninsula Energy Development Organization [KEDO]. The reference power station [chamjo paljonso] will be the Ulchin No. 3 and 4 power plants.

President Clinton emphasized that the main contractor will be an ROK company and this company will carry out the light water reactor project by being completely in charge of all fields including design, manufacture, construction, and project management. He also said that a U.S. company will be in charge of subcontracted work of the ROK company.

Spokesman Yun stated that President Clinton said that since the resumption of the South-North dialogue is indispensable for the complete resolution of the nuclear issue and for the sincere implementation of the Geneva agreement, he will make utmost efforts to realize this.

In addition, Spokesman Yun said that while there have been several telephone conversations between President Kim and President Clinton regarding the light water reactor talks, it is the first time that a detailed personal letter was sent.

Spokesman Yun conveyed that President Kim ordered Foreign Minister Kong No-myong to open the KEDO executive board meeting today in Seoul. Therefore, U.S. Nuclear Ambassador Gallucci, who was returning to the United States after visiting the ROK and Japan, is now on his way to Seoul and the KEDO executive committee meeting will be held at 1700 [0800 GMT] today. KEDO will reveal its clear position following the meeting at which time it will confirm the contents of President Clinton's personal letter. [end recording]

#### Gallucci To Reconfirm 'Central Role'

SK1306010995 Seoul YONHAP in English  
0100 GMT 13 Jun 95

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — U.S. nuclear ambassador Robert Gallucci will fly to Seoul Tuesday afternoon to attend an executive board meeting of the Korean Peninsula Energy Development Organization (KEDO) to reconfirm that KEDO will provide North Korea with South Korean reactors and that South Korea will play a central role in the light-water reactor project for the North, a Foreign Ministry spokesman said.

The meeting will be attended by Gallucci, who is also chairman of KEDO's Executive Board, Choe Tong-chin, secretary general of the Office for Planning for Light-Water Reactor Project, and Japan's nuclear ambassador Tetsuya Endo, and they are expected to issue a resolution reaffirming that South Korean standard nuclear power plants modeled after Ulchin reactor units 3 and 4 will be provided to the North, he said.

Endo arrived in Seoul Monday to discuss with South Korean officials issues related to the ongoing nuclear talks in Kuala Lumpur.

The executive board meeting, to be held at the Foreign Ministry at 5 PM [0800 GMT], will also discuss ways to proceed with the light-water reactor project for the North after North Korea and the United States struck an agreement in Kuala Lumpur, Malaysia, he said.

#### **Foreign Minister Announces Support**

*SK1306030195 Seoul YONHAP in English  
0254 GMT 13 Jun 95*

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — South Korea on Tuesday decided to support the tentative agreement reached between North Korea and the United States in Kuala Lumpur, Malaysia, concerning the implementation of the nuclear agreed framework, Foreign Minister Kong No-myong announced.

The United States and North Korea are expected to issue a joint statement later in the day in Kuala Lumpur to conclude the ongoing nuclear talks on the provision of two light-water reactors to North Korea as stipulated in last October's Geneva nuclear agreement, Kong said.

Introducing a personal letter to President Kim Jong-sam from U.S. President Bill Clinton earlier in the day which reaffirmed the provision of South Korean-made reactors to North Korea and South Korea's central role in the light-water reactor project, Kong said President Kim asked an executive board meeting of the Korean Peninsula Energy Development Organization (KEDO) to confirm those principles assured by Clinton.

The meeting is expected to issue a resolution confirming that KEDO will provide the North with South Korean standard nuclear power plants and that South Korea will play a central role in the process of designing, manufacturing, constructing and managing the provision of two light-water reactors to North Korea, Kong said.

The resolution will also state that the main contractor for the reactor project will be a South Korean firm and that KEDO will sign with the North a contract for the provision of the reactors to the communist country, according to Kong.

Three executive board members from KEDO, representing the main players in the international consortium, including South Korea, the United States and Japan, will attend the meeting. They are U.S. nuclear ambassador Robert Gallucci, Choe Tong-chin, secretary general of the Office for Planning for the Light-Water Reactor Project, and Japan's nuclear ambassador Tetsuya Endo.

#### **DPRK Delegates Delay Departure**

*SK1306033895 Seoul YONHAP in English  
0309 GMT 13 Jun 95*

[FBIS Transcribed Text] Kuala Lumpur, June 13 (YONHAP) — The North Korean and U.S. delegations to the Kuala Lumpur nuclear talks, having reached a provisional agreement concerning details for the international supply of light-water reactors to the North, are going to announce Tuesday afternoon a joint agreement that concludes their lengthy negotiations.

Sources here said the two sides will specify the details regarding the use of South Korean standard-model light-water reactors and South Korea's central role in the reactor project and problems surrounding the supply of additional facilities related to reactor operation.

Although they still have to consult their home governments before fully accepting the agreement, the negotiations on the supply of light-water nuclear reactors to North Korea in return for the freeze of its nuclear development program appear to be about finished.

The agreement will include in its contents that the light-water reactor supply contract will be signed between North Korea and the Korean Peninsula Energy Development Organization (KEDO) and that KEDO will choose the reactor type as well as the prime contractor, according to the sources.

A separate provision will formalize the use of South Korean standard reactors and South Korea's central role in the project, sources said.

The two sides are scheduled to hold one last meeting to review the agreement at the U.S. Embassy here shortly before the announcement.

Meanwhile, the North Korean delegates who were to leave for Pyongyang earlier in the day have delayed their departure.

#### **Specialists Prepare for Reactor Work**

*SK1306065295 Seoul YONHAP in English  
0641 GMT 13 Jun 95*

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — South Korea began to push for detailed preparations for the construction of light-water reactors in North Korea, as Pyongyang and Washington have reached a provisional agreement concerning the furnishing of light-water reactor supply to the North.

Nuclear experts here said that every preparation is expected to be made in accordance with the South Korean law on atomic energy, since North Korea seems not to have made such a law yet.

South Korean nuclear power plant construction specialists are expected to visit Sinpo, South Hamgyong Province, the city that North Korea suggested as a possible site for the plant, in one or two months to examine if the site is suitable for nuclear power plant.

Russia once studied the possibility of building a nuclear power plant in the Sinpo area in the 1980s, but halted the project for financial reasons.

Experts here said the Korean Peninsula Energy Development Organization (KEDO) will review the results of the Russian survey and decide whether KEDO will use the results as they are or whether it will reexamine the site.

The most important issue, the experts said, will be how to supply the plants with cooling water, since the site is located some distance from the coast.

South Korean specialists will examine the geology of the site and the ground before they study if a nuclear plant would affect the environment around the plant.

#### Premier Sees New Stage in Relations

SK1306074695 Seoul YONHAP in English  
0704 GMT 13 Jun 95

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — Prime Minister Yi Hong-ku, referring to the nuclear deal struck between the United States and North Korea in Kuala Lumpur, called on the government ministries Tuesday to be thoroughly prepared for new developments in inter-Korean relations.

Yi gave the urge during a cabinet council meeting after being briefed on the U.S.-North Korean nuclear talks, stating that, "a new phase of inter-Korean relations is expected to develop into economic and personal exchanges after the nuclear issue is resolved," said Kang Hyong-sok, press secretary to the prime minister.

"We have passed a critical point in some very difficult negotiations and there is only procedural matters remaining before the agreement will be approved," Yi said. "The agreement will be effective only if it is faithfully implemented by North Korea."

Yi said the fresh nuclear accord could be rated highly as South Korea carried through its aim of getting its standard model reactors and central role adopted in the project, though indirectly by having the draft joint announcement specify the Korean peninsula Energy Development Organization (KEDO)'s designation of the reactor type and the main contractor.

#### Joint Statement Reported

SK1306093295 Seoul YONHAP in English  
0907 GMT 13 Jun 95

[FBIS Transcribed Text] Kuala Lumpur, June 13 (YONHAP) — After more than three weeks of tough negotiations here concerning North Korea's nuclear program, the United States and North Korea have finally produced an agreement in which the North accepted South Korean reactors and South Korea's central role in its light-water reactor [LWR] project under last October's Geneva agreed framework.

A joint U.S.-DPRK (North Korea) press statement released here Tuesday [13 June] in this Malaysian capital said, "The Korean Peninsula Energy Development Organization (KEDO), under U.S. leadership, will finance and supply the LWR project in the DPRK as called for in the agreed framework.

"As specified in the agreed framework, the United States will serve as the principal point of contact with the DPRK for the LWR project. In this regard, U.S. citizens will lead delegations and teams of KEDO as required to fulfill this role."

The statement also said that, "The LWR project will consist of two pressurized light water reactors with two coolant loops and a generating capacity of approximately 1,000 mw [megawatts] each. The reactor model, selected by KEDO, will be the advanced version of U.S.-origin design and technology currently under production."

On the supply agreement for the provision of two light-water reactors to the North, the statement said, "The Commission for External Economic Relations, representing the DPRK Government, and KEDO will conclude a supply agreement at the earliest possible date for the provision of the LWR project on a turnkey basis.

"On the basis of this statement, the DPRK will meet with KEDO as soon as possible to negotiate the outstanding issues of the LWR supply agreement."

KEDO will conduct a site survey to identify the requirements for construction and operation of the LWR project and the costs of this site survey and site preparations will be included in the scope of supply for the project, the statement said.

KEDO will select a prime contractor to carry out the project and a U.S. firm will serve as program coordinator to assist KEDO in supervising the overall implementation of the LWR project. KEDO will also be empowered to select the program coordinator, the statement said.

It also stipulates that a DPRK firm may enter into implementing arrangements as necessary to facilitate the LWR project.

In addition to the LWR project, the United States and North Korea also agreed that experts from the two sides will meet in the DPRK as soon as possible in June to agree on a schedule and cooperative measures for phased delivery of heavy oil in accordance with the agreed framework, according to the statement.

KEDO will then begin to make arrangements for an initial delivery of heavy fuel oil, subject to the conclusion of the U.S.-DPRK agreement, the statement said.

The two sides also agreed that a U.S. team of experts will visit the DPRK as soon as possible in June to begin expeditious implementation of the U.S.-DPRK record of meeting from Jan. 20, 1995, concerning the safe storage of the spent nuclear fuel still located at the North's 5-megawatt reactor, the statement said.

#### **Spokesman 'Supports' Agreement**

*SK1306094495 Seoul YONHAP in English  
0913 GMT 13 Jun 95*

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — South Korea Tuesday welcomed the agreement reached in Kuala Lumpur between the United States and North Korea on the light-water reactor project for the North under last October's framework agreement, saying that South Korea achieved its goal of providing South Korean reactors to the North and playing a central role in the reactor project.

Foreign Ministry Spokesman Ryu Kwang-sok, issuing a statement concerning the government's position on the outcome of the U.S.- North Korea nuclear agreement, urged the North to resume an inter- Korean dialogue for successful implementation of the reactor project.

"The government of South Korea supports and evaluates the agreement as a meaningful leap towards paving the way for the future process of light-water reactor projects," said Ryu.

"We hope that the denuclearization of the Korean peninsula will be materialized through complete solutions to the North Korean nuclear issue," Ryu said.

"We expect that the agreement will serve as an occasion for smooth negotiations towards an agreement between KEDO [Korean Peninsula Energy Development Organization] and North Korea for the provision of light-water reactors to the North and for the successful implementation of the light-water reactor project for the North," the spokesman said.

Ryu added that the South Korean Government believed that an early resumption of an inter-Korean dialogue is essential for the successful implementation of the light-water reactor project.

He said that the U.S.-North Korea nuclear talks ended with the conclusion of the Kuala Lumpur talks and that from now on KEDO will take charge of negotiations with the North on the North Korean nuclear issue.

Ryu also said that South Korea will take a leading role in surveying a suitable site for constructing the reactors, signing between KEDO and the North an agreement for the provision of two light-water reactors and other activities involving the reactor project.

#### **Minister: 'Basic Goals' Achieved**

*SK1306094895 Seoul YONHAP in English  
0927 GMT 13 Jun 95*

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — Foreign Minister Kong No-myong said Tuesday that South Korea has achieved its basic goals of providing South Korean-made reactors to North Korea and playing a central role in the process of providing reactors to the North under the Geneva agreed framework.

Giving a press conference concerning the outcome of the nuclear talks in Kuala Lumpur between the United States and North Korea, Kong said, "South Korea will actively take part in the negotiations with the North on the signing of a contract for the provision of two light-water reactors to the North in close cooperation with the United States and Japan in efforts towards an ultimate solution to the North Korean nuclear issue.

"By so doing, we will try to improve inter-Korean relations substantially."

Admitting that South Korea compromised on the expression regarding the type of reactors to be provided to the North, Kong stressed that the U.S.-North Korea agreement is not a surrender document but a product of diplomatic negotiations.

"We accepted the indirect and technical expression because it's difficult for us to force the direct expression of Korean Standard Nuclear Power Plants (KSNP)," he said.

The indirect expression that the North will be provided with "two pressurized light-water reactors with two coolant loops and a generating capacity of approximately 1,000 mw [megawatt] each" clearly refers to South Korea's Ulchin Units 3 and 4, although it did not carry the word KSNP, Kong said.

He said that the expression that a "reactor model, selected by KEDO [Korean Peninsula Energy Development Organization], will be the advanced version of the U.S.-original design and technology currently under production," also clearly refers to Korea's Ulchin reactors because in KEDO's charter it stipulates that the purpose of KEDO "shall be to provide for the financing and supply of a light-water reactor, consisting of two reactors of the Korean standard nuclear plant model with a capacity of approximately 1,000 mw each, pursuant to a supply agreement to be concluded between the organization (KEDO) and the DPRK."

Dismissing concerns about the possibility that the North may take the word reactor in a narrow sense, Kong claimed that the word reactor in international commercial contracts usually means the whole nuclear steam supply system rather than just the reactor itself.

Concerning the scope of supplying additional facilities related to the two light-water reactors to be provided to the North, Kong said that South Korea will provide all the expenses for the survey of a construction site and part of the cost for site preparations.

"KEDO and North Korea will continue to have negotiations to determine exactly what additional facilities KEDO will provide the North in relation to the reactor project," said Kong.

South Korea's position, however, is that the North will be provided with facilities that are usually included in the normal scope of international contracts for light-water reactor projects, according to Kong.

On the question of whether the North actually expressed its willingness to accept South Korean engineers and technicians into the North for them to survey possible construction sites to accommodate the reactors, Kong said that it is inevitable for South Koreans to enter the North because Korea Electric Power Corp. (KEPCO) will be the main contractor for the reactor project.

The foreign minister also said that the North accepted KEDO as its partner for the light-water reactor project, although an American program coordinator will be the North's main point of contact when the DPRK deals with KEDO in the reactor project.

Kong evaluated the Kuala Lumpur agreement, claiming that it has no vague expressions which could give rise to problems later.

The agreement is meaningful because it has the expression on the provision of South Korean reactors to the North and KEDO's role in the selection of the principal contractor for the North Korean reactor project, Kong said.

"What is also important about the agreement is that it stipulates that North Korea and the United States will have expert-level meetings in June to discuss ways to prevent the North from diverting heavy oil to be provided to the North by the United States under the agreed framework and schedule for the delivery of further oil to the North," he said.

Kong was also satisfied with a clause in the agreement which provides for a visit by a group of American experts to the North during June to handle the spent nuclear fuel rods at the North's 5-megawatt reactor that has been frozen, saying that the agreement reaffirmed the willingness of the North to implement last October's Geneva nuclear agreed framework which is aimed to scrap the North's nuclear program suspected of producing weapons-grade plutonium.

#### DPRK To Receive ROK-Style Reactors

SK1306115895 Seoul YONHAP in English  
1148 GMT 13 Jun 95

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — Korean Peninsula Energy Development Organization (KEDO) Tuesday reaffirmed that the reactors to be provided to North Korea will be South Korean standard model reactor and that the reference plants will be Ulchin Nos. 3 and 4. U.S. nuclear ambassador [title as received] Robert Gallucci said.

Giving a press conference along with Choe Tong-chin, secretary general for the office for light-water reactor project, and Japan's nuclear ambassador Tetsuya Endo after holding an Executive Board Meeting of the KEDO, Gallucci, also chairman of the board, said that the Executive Board directed KEDO to begin discussion with the Korea Electric Power Corp. (KEPCO) in connection with a prime reactor contract to be signed.

The board also told KEDO to make necessary arrangements for a site survey in North Korea and for direct talks between KEDO and North Korea on a reactor supply agreement, Gallucci said.

Gallucci emphasized that direct contacts between KEDO and North Korea should take place as soon as possible to discuss the outstanding issues of the reactor supply agreement and other related questions.

According to Gallucci, the executive board further decided to take necessary steps for the delivery of heavy fuel oil to North Korea.

"The delivery of heavy fuel oil will be subject to the conclusion of an agreement between the United States and North Korea on a reactor project schedule and cooperative measures and will be concurrent with the

initiation of steps to ensure safe storage of the spent nuclear fuel in North Korea," he said.

To address a variety of issues concerning the implementation of the agreement reached between the United States and North Korea in Kuala Lumpur, the Executive Board decided to convene the general conference of KEDO in New York at an early date, according to Gallucci.

Gallucci also said that improvement in relations between the United States and North Korea must be accompanied by dialogue between South and North Korea.

He cited as other hurdles to the further improvement in the Washington-Pyongyang relations safe storage of spent fuel rods and monitoring of the use of heavy oil to be provided by the U.S. as alternative energy until the completion of the two light-water reactors.

"We have indeed other issues concerned. They are North Korea's ballistic missiles development program and heavy conventional forces near the Demilitarized Zone," Ambassador Gallucci said.

#### Foreign Minister Views Outcome

*SK1306133295 Seoul KBS-1 Television Network in Korean 1206 GMT 13 Jun 95*

[Telephone interview with ROK Foreign Minister Kong No-myong by KBS Anchorman Yu Kun-chang on 13 June; Yu Kun-chang is in the KBS Studio, the location of Foreign Minister Kong is not given — recorded]

[FBIS Translated Text] [Yu Kun-chang] I will now interview Foreign Minister Kong No-myong who served as the behind-the-scenes coordinator of the talks, and ask him questions regarding the contents of the agreement. How are you? According to the outcome of these talks, North Korea has practically accepted ROK-style light-water reactors, though this was not specified in the agreement. Thus, some feel this represents a retreat from the ROK Government's previous desire to firmly adhere to ROK-style light-water reactors. What do you think?

[Kong No-myong] The joint press statement specifies the model of the light-water reactors to be provided to North Korea as ours, and describes the characteristics of the reactors. Furthermore, it has apparently declared that the reactors will be selected by the Korean Peninsula Energy Development Organization [KEDO]. In other words, the selection by KEDO is Korean-style reactors because Article 2 of the KEDO Agreement specifies that the reactors to be provided to North Korea will be Korean-style reactors. Moreover, in further support of this, the KEDO Executive Meeting held at 1700 [0800 GMT] this afternoon adopted a resolution indicating the

reactors to be provided to North Korea will be Korean-style reactors, and that the reference power stations will be the Ulchin Nos 3 and 4. In addition, the letter from President Clinton to President Kim Yong-sam stated the reactors will be Korean-style.

[Yu] I see. It seems the additional facility demanded by North Korea and worth approximately \$1 billion has not been clearly defined. What do you think about this?

[Kong] The issue of the additional facility has been completely excluded from this agreement. As regards the cost, it has specified the cost for the site survey team and for site preparations, but this will be generally included in supplying the project. Therefore, this has nothing to do with additional supplies.

[Yu] I believe the light-water reactor agreement will be reached through direct negotiations between KEDO and North Korea. In this case, do you think it is possible for North Korea to change its words?

[Kong] The agreement has clearly specified the obligation North Korea should fulfill, as well as the works shared between the United States and North Korea. For example, as mentioned before, KEDO will select the reactor model while deciding on the main contractor. Because there is no ambiguous content in this agreement, and to exclude the possibility of ambiguity, the meeting of the KEDO Executive Board adopted a resolution. Thus, I do not believe there is room for North Korea to do so.

[Yu] Thank you.

#### NUB Minister Discusses LWR, Other Issues

*SK1306102795 Seoul CHOSON ILBO in Korean 13 Jun 95 p 8*

[Interview with Na Ung-pae, deputy prime minister and minister of the National Unification Board, by Kim Hyon-ho, vice chief of the North Korea Desk within CHOSON ILBO's Political Department, and reporter Kim In-ku, at Na's office at the Unified Government Building in Seoul on the afternoon of 10 June; first paragraph is CHOSON ILBO introduction]

[FBIS Translated Text] Na Ung-pae, deputy prime minister and minister of the National Unification Board (NUB), has been quite busy recently. Such issues as the Kuala Lumpur light-water reactor [LWR] talks, which have reached their peak, and the issue of supplying rice to North Korea, which has caused friction with Japan, have been added to the existing North-South issues. Kim Hyon-ho, vice chief of the North Korea Desk within CHOSON ILBO's Political Department, and reporter Kim In-ku, met with Vice Premier Na, who

is playing the chief role in coordinating unification and security policies within the government, at his office on the afternoon of 10 June. The interview took place right after Vice Premier Na's meeting with U.S. nuclear ambassador [title as published] Gallucci and Winston Lord, assistant secretary of state for East Asian and Pacific affairs.

[CHOSON ILBO] Did you inform Ambassador Gallucci about our side's position?

[Na] I told him everything I wanted to say. Most of all, I stressed to him that the negotiations with North Korea are unlike those with Western capitalist countries. Because there are common customs between Western capitalist countries, ambiguous expressions in the agreement are tolerated to some degree. However, it is quite different with North Korea. I made clear to Gallucci that if everything is not made certain with North Korea the first time, it will be even harder later.

It would have been unnecessary to hold the Kuala Lumpur talks had ROK-style LWRs and the ROK's central role been clearly stipulated in the Geneva agreement. It is the same with the issue concerning subsidiary facilities for the LWRs. I told Gallucci it is highly doubtful our people will accede to the additional \$1 billion support to North Korea.

[CHOSON ILBO] What was Ambassador Gallucci's reaction?

[Na] He listened closely. I believe he fully understood our government's stance. (Vice Premier Na did not elaborate on the details of the meeting. An official who accompanied him during his meeting with Ambassador Gallucci revealed that Vice Premier Na enumerated every point of the North Korea-U.S. negotiations and pointed out controversial points; Ambassador Gallucci assumed the stance of attentively listening to his opinion "in a manner quite different from his previous stance." He added that Vice Premier Na stressed the need to clearly stipulate ROK-style LWRs, the ROK's central role, and a reference power plant in the agreement in a way no one can object to.)

[CHOSON ILBO] North Korea seems to be in an excessive hurry to achieve results from the talks. It is North Korea that took the initiative in announcing the two sides had reached a principal agreement. Why is North Korea behaving like this?

[Na] North Korea's strategy is to take byproducts of the Geneva agreement to the utmost while minimizing the ROK's role. After making the Geneva agreement ambiguous, North Korea made additional demands at every stage of its implementation. However, it seems North Korea does not want to break the Geneva agreement. In

light of the progress of the U.S.-North Korean negotiations so far, Pyongyang must be considering accepting ROK-style LWRs and allowing the ROK to play a central role in the reactor project. However, Pyongyang is also trying to make the terms as ambiguous as possible in a bid to leave room for interpreting them favorably for North Korea in the future.

[CHOSON ILBO] Even if an agreement is reached this time, it is certain both sides will repeatedly engage in arguments at every stage of building the LWRs. Our people are upset because our country is annoyed by the difficulties in the negotiations, and are unable to directly speak to North Korea while being burdened with billions of dollars in this project.

[Na] Even after reaching an agreement this time, further discussions have to be held on various issues, including a contract on the LWR supply between the Korean Peninsula Energy Development Organization [KEDO] and North Korea. Difficulties are expected in the course of these discussions. I think we should be patient, reminding ourselves of the basic objective of the provision of LWRs to North Korea. The provision of LWRs to North Korea is chiefly aimed at resolving the North Korea nuclear issue. The primary goal of this project is to denuclearize the Korean peninsula by guaranteeing the transparency of North Korea's nuclear activities. In addition, we expect South-North contacts will be resumed during the course of LWR construction, which will take about 10 years.

[CHOSON ILBO] While holding negotiations with the United States on the nuclear issue, North Korea asked Japan for rice aid. It seems North Korea is practicing "diplomacy via the rice issue" following "diplomacy via the nuclear issue." When North Korea casually expressed its willingness to accept ROK rice during the course of asking for Japanese rice, our government immediately expressed its willingness to provide rice to North Korea. Don't you think our government's reaction was too hasty?

[Na] In my opinion, North Korea asked Japan for rice aid with a double purpose. That is, it wants to solve its food problems and create an atmosphere for establishing diplomatic ties with Japan. North Korea probably also intends to exclude South Korea by improving relations with Japan. However, our government has decided not to link humanitarian grain aid to North Korea with other issues, and is making various efforts to improve South-North relations with this as a momentum.

[CHOSON ILBO] The tone of your statement issued on 8 June urging a prudent attitude toward the rice aid issue was unusually strong. Has Japan made any alarming moves?

[Na] Though I am not able to mention them in detail, certain moves were made by Japan. It is desirable that such an issue concerning our national welfare is handled within the nation first. Although it is a humanitarian issue, we cannot help but take the special characteristic of South-North relations into consideration.

Accordingly, our government has requested that Japan prudently handle this issue until our grain is supplied to North Korea through direct contacts between the South and North Korean authorities. We must realize that when a neighboring country approaches an issue on the Korean peninsula, it pursues its own interests.

**[CHOSON ILBO]** People maintain that our government lacks firm principle in its policy toward North Korea. Reviewing our government's policy toward North Korea, the government appears to seek stability in the North Korean regime, though sometimes it does not appear to want stability. What is our government's basic position?

[Na] Our government has made clear that "it seeks stability in the North Korean regime." This is our government's basic position. However, our government wants not only stability in North Korea, but also change. Once North Korea's political system secures stability, we want North Korea to internally change in the direction of respecting human rights, opening its society, and accepting a market economy so that a foundation for North-South exchange and homogeneity can be provided. This is precisely our government's basic position.

**[CHOSON ILBO]** We believe one of the best ways to induce North Korean change is through North-South economic cooperation. Deputy prime minister, you are an economic expert, so people say you have a strong desire to solve North-South relations through economics.

[Na] The way we can bring changes to North Korea while simultaneously settling the present North-South confrontation is precisely through economic exchanges. Therefore, expanding economic exchanges is the best way to bring stability and change to North Korea. However, it is still dangerous to directly invest in North Korea. This is why our government has allowed our businessmen to make small investments in North Korea, such as processing on commission. We are the third largest trading partner of North Korea after the PRC and Japan.

**[CHOSON ILBO]** While rejecting inter-governmental negotiations with our government, North Korea has been very active in approaching our private enterprises. The

problem is North Korea's double-faced attitude. What do you think of this?

[Na] Such an attitude by North Korea has made it difficult for us to promote North-South economic cooperation in earnest. Thus, under the present circumstances we cannot but lead our enterprises to carry out economic cooperation with North Korea in a responsible manner. It is very important for our enterprises to promote economic cooperation with North Korea in a prudent and orderly manner in accordance with the principles set by our government.

**[CHOSON ILBO]** We think rice assistance to and economic cooperation with North Korea are aimed ultimately at improving the North Korean people's quality of life. Therefore, we think we should also pay more attention to the human rights issue in North Korea. What do you say about this?

[Na] We divide the human rights issue of North Korea into three generally different targets, namely defectors to the ROK from North Korea, South Koreans abducted by North Korea, and the North Koreans themselves. Along with efforts to secure the human rights of individuals from being infringed upon, such as defectors to the ROK from North Korea and South Koreans abducted to North Korea, in the future our government will take active measures that will be practically conducive to improving the human rights of North Koreans as a whole. In particular, regarding the human rights issue of North Koreans, I think the present civilian-led government is entitled to more actively make an issue of the human rights issue of the North Korean people.

#### Further Contributions to USFK Ruled Out

*SK1306020595 Seoul YONHAP in English  
0155 GMT 13 Jun 95*

**[FBIS Transcribed Text]** Seoul, June 13 (YONHAP) — South Korea stated at the Policy Review Subcommittee (PRS) meeting of the Korea-U.S. Security Consultative Meeting (SCM) held in Washington last Friday that it cannot raise its burden-sharing contribution to the U.S. Forces stationed here, an official at the Defense Ministry said.

At the meeting, the U.S. side asked for "some raise" of South Korea's contribution for next year, citing South Korea's economic development and the curtailment of the U.S. defense budget, according to the official.

But the South Korean delegation rejected the request, saying that its current burden-sharing contribution is not less than each of those contributed by Germany and Japan, whose economic volumes are bigger than that of South Korea.

In 1991, the two countries agreed to raise South Korea's contribution to one third of the won-based cost (WBC) of U.S. Forces stationed in Korea for five years. The agreement has to be renewed this year.

The WBC was set at 840 million U.S. dollars in 1991, and South Korea is to contribute 300 million dollars to the U.S. Forces in Korea this year.

Meanwhile, the Security Consultative Meeting (SCM) will be held in October this year to decide what South Korea's burden-sharing contribution will be next year.

**U.S. Eyes Ex-GDR Embassy in North as Office**

*SK1306121395 Seoul YONHAP in English  
1204 GMT 13 Jun 95*

[FBIS Transcribed Text] Berlin, June 13 (YONHAP) — The United States is planning to use the former East German [German Democratic Republic-GDR] Embassy compound in Pyongyang as the site of its liaison office to be set up in Pyongyang, it was learned here Tuesday.

The former East German Embassy compound sitting on a large spread in Pyongyang, remains almost empty since German unification in 1990.

The compound is presently being used as the office of the German Interest Mission attached to the Swedish Embassy, which is manned by four German officials whose duty is mainly to manage the facilities.

A source here said the United States contacted Berlin early this year for possible rent of the compound and Germany gave an affirmative response because of the large financial burden in the maintenance of the spacious facilities.

The compound yard extends 16,000 square meters and comprises a total of 26 separate quarters and annex buildings in addition to the main embassy building.

**North Asked KOTRA To Arrange Rice Aid**

*SK1306040295 Seoul KBS-1 Radio Network  
in Korean 0200 GMT 13 Jun 95*

[FBIS Translated Text] North Korea reportedly asked a Korean Trade Promotion Corporation [KOTRA] official in charge of economic cooperation with North Korea for rice aid from the ROK. The KOTRA official was visiting Beijing, China, when he received the request.

According to a well informed source in North Korean affairs, the North side on 3 June asked the visiting KOTRA official to act as an intermediary so that ROK conglomerates or civilian organizations desiring economic cooperation with North Korea could provide rice to North Korea.

However, the official reportedly turned down the request by saying that KOTRA is not in a position to play such a role. The official told the North that rice aid is handled by the government, and urged the North side to solve the problem through intergovernmental negotiations.

**DPRK Urged To Repatriate Ship's Crew**

*SK1306031995 Seoul KBS-1 Radio Network  
in Korean 0200 GMT 13 Jun 95*

[FBIS Translated Text] The president of the Korean Red Cross today sent the Central Committee of the North Korean Red Cross Society a radio message via Seoul KBS-1 radio again urging the immediate repatriation of the 86-Usongho and its crew.

The message reads: A radio message to the North from the president of the Korean Red Cross to Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society:

Through our radio message to you on 31 May, I requested your cooperation for the immediate repatriation of the 86-Usongho and its crew. In this connection, I will send two liaison officials of the Red Cross of our side to the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1000 on 15 June 1995 to convey the personal data of the crew members of the 86-Usongho. This is to prove that they are genuine civilian fishermen. With the officials will be a letter of appeal to you from the families of the crew.

We hope your side will take corresponding steps.

[Dated] 13 June 1995

[Signed] Kang Yong-hun, president of the Korean Red Cross

**Kim Chong-il To Assume Top Post 10 Oct**

*SK1306025595 Seoul KBS-1 Radio Network  
in Korean 0200 GMT 13 Jun 95*

[Beijing based correspondent Pak Tae-sok]

[FBIS Translated Text] North Korea's Kim Chong-il is expected to officially assume the office of the party general secretary on 10 October, the 50th anniversary of the founding of the North Korean Workers Party, said diplomatic sources in Beijing. The sources also revealed that the office of the North Korean president is likely to be filled by Foreign Minister Kim Yong-nam.

The reason why Kim Chong-il will not fill the position of the North Korean president is that his appearance is not suitable for a state leader and that he is not willing to directly bear the political burden of negotiations for the settlement of the nuclear issue and for the establishment

of diplomatic relations with the United States and Japan, the sources said.

Kim Yong-sun, party secretary and chairman of the Supreme People's Assembly Reunification Policy Committee, was also a strong candidate for the North Korean presidency. However, the experience of Kim Yong-nam, vice premier of the Administration Council and foreign minister, was valued more highly, the sources added.

#### Trade Minister Departs for PRC Talks

*SK1306041695 Seoul THE KOREA TIMES in English  
13 Jun 95 p 8*

[FBIS Transcribed Text] Trade, Industry and Energy Minister Pak Chae-yun leaves for Beijing today to consolidate a firmer partnership and greater cooperation by Korea and China in the rapidly changing global economic arena.

Pak will hold two days of talks on four key areas with Wang Zhongyu, minister of the State Economic Commission, at the second meeting of the Korea-China Industrial Cooperation Committee starting tomorrow.

The four areas that will be discussed are aircraft, automobile parts and components, electronic switching systems and high definition television.

Pak will also meet Premier Li Peng, Vice Premier Wu Bangguo and other ranking Chinese officials during his five-day trip through Saturday.

Ministry officials said the visit is especially meaningful in that it is taking place at a time of impending change in the power structure of the Chinese Government in the post-Deng-Xiaoping era.

The main purpose of the talks is to evaluate the progress made by the committee's four subcommittees and to identify the course of future collaboration, the officials said.

There has already been substantial development at the aerospace and auto parts and components subcommittees and discussions will extend to cooperation in the construction of nuclear power plants.

"Basically, the meeting will pave the way for accelerating the pace at which cooperation in the agreed industrial fields is pursued, especially in nuclear energy," one MOTIE official elaborated.

More specifically, the two countries will seek to enhance the level of cooperation in the joint development of auto parts and components and exchange related personnel to undertake research and development.

In the aerospace field, a detailed timetable for the development of a 100-seat passenger aircraft will be

finalized, determining the scope of foreign participation in the ambitious project.

"The meeting will also focus on the development of next-generation switching equipment, vital for the modernization of the Chinese telecommunications network," the official noted. Pak heads a delegation comprising senior officials from MOTIE, and the Ministries of Finance and Economy, Science and Technology, Information and Communications and Construction and Transportation.

#### Chongnyon's Influence, Size 'Shrinking'

*SK0906133495 Seoul CHUGAN CHOSON in Korean  
8 Jun 95 pp 74-75*

[Article by Tokyo-based correspondent Yi Hyok-chae: "Shrinking General Association of Koreans Residing in Japan; Its Influence Has Been Rapidly Diminishing Since the Kim Chong-il System"]

[FBIS Translated Text] "The General Association of Korean Residents in Japan" [Chongnyon], which is North Korea's window in Japan, marked the 40th anniversary of its founding on 25 May. Of course, North Korea could not help being conscious of the birthday festival of Chongnyon, which has played the role of "a supplier of money" for North Korea.

On 23 May, North Korea changed the name of Pyongyang Light Industry College to Han Tok-su Light Industry College, naming it after Han Tok-su, chairman of Chongnyon, and held a photo exhibition to mark Chongnyon's 40th founding anniversary.

On 24 May, a report meeting was held to celebrate Chongnyon's birthday with North Korean Administration Council Premier Kang Song-san, Vice President Pak Song-chol, and other cadre members attending. In the meeting, North Korea, in a special letter from Kim Chong-il, agitated the Koreans by saying that "Chongnyon should mobilize Korean compatriots in Japan in the struggle to realize the principles and policy of national reunification put forth by Kim Il-song." The meeting also called on Chongnyon to strengthen its role and function as "a chuche-oriented organization of overseas Koreans."

Now, what was the reaction of the so-called "chuche-oriented organization of overseas Koreans" to the Chongnyon birthday?

#### Koreans Residing in Japan No Longer Feel Threat From Chongnyon

On 24 May, Chongnyon held a ceremonial function at a Korean high school located in the North District of

Tokyo with Han Tok-su and other Chongnyon cadre members attending. However, the scale of the function and the list of those present was not revealed because Chongnyon remained silent. The Japanese press media simply reported the fact that Japanese Prime Minister Murayama had sent a congratulatory message to Chongnyon. However, the Japanese press, which has shown a deep interest in North Korean affairs, did not carry any articles featuring the 40th founding anniversary of the pro-North Korean organization. Needless to say, this reflects that Chongchon has become weak.

Chongnyon is no longer a source of important intelligence about North Korea. It is no exaggeration to say that few Koreans residing in Japan feel a threat from Chongnyon or have hostile feelings against it.

It is a very convincing analysis that the crisis Chongnyon faces at present is attributable to the change in North Korea's policy. North Korea had been carrying out activities toward Japan through Chongnyon and the Social Democratic Party of Japan [SDPJ].

However, since the SDPJ's influence became weak in the wake of the end of the Cold War, North Korea has been trying to maintain contacts mainly with the Liberal Democratic Party [LDP] instead of the SDPJ.

The Japanese Government has two major pending issues. One is the issue on "the four Northern islets" absorbed into the Russian territory, and the other on establishing diplomatic relations with North Korea. Of these two issues, the SDPJ has set the latter as its main objective. But, the SDPJ is now in a dilemma because North Korea has suddenly changed its negotiation partner to the LDP. With the weakening of the SDPJ, which had been used by Chongnyon as its pipeline in the Japanese political circles, Chongnyon has become weak, too.

In this connection, intelligence indicating a feud between North Korea and Chongnyon has been circulating in Japan since early this year. The intelligence is as follows: "Ho Chong-man, vice chairman of Chongnyon, had a big quarrel over money during his visit to North Korea. When North Korea asked for 5 billion yen in connection with Kim Chong-il's appointment as president, the vice chairman refused. Chongnyon's economic difficulties and North Korea's cool treatment toward Chongnyon were the alleged reasons for his refusal."

Chongnyon was founded on 25 May 1955. Its predecessor was "The Union of Koreans in Japan" (Choyon), which was founded right after World War II. Choyon cried out "Down With the Japanese Emperor System" by directive of the Japanese Communist Party [JCP] and

waged activities against the pro-Japanese faction among Koreans residing in Japan.

Choyon was ordered disbanded in 1947 by the General Headquarters of the Allied Forces under General MacArthur. Since then, Choyon has maintained its existence as an unofficial organization, "The Democratic Front for the Reunification of Korea in Japan," within the JCP.

In 1953, Han Tok-su took over this organization with North Korean support and made the organization independent from the JCP in 1955. In the early 1960's, Han Tok-su recruited some 400,000 Koreans in Japan to Chongnyon. About 90 percent of Koreans residing in Japan were from South Korea. Nevertheless, Chongnyon succeeded in recruiting a large number of Koreans residing in Japan to Chongnyon. The secret of this success lies in "money," "indoctrination," and "hostages." In recent years, however, the secret of such success has ironically weakened Chongnyon.

One of the three secrets of success is money. Most of the Koreans residing in Japan run private enterprises such as pinball game houses and restaurants. Koreans residing in Japan appreciate and, at the same time, fear the existence of "the Credit Union of the Choson [Korean] Bank." It had a total of 210,000 union members and 180 branches, and the amount of its deposits reached 2.5 trillion yen in the early 1990's. The size of the union is half as big as a Japanese local bank. It is said that even pro-ROK Koreans residing in Japan have an account with the union.

Koreans affiliated with Chongnyon usually use this union because they do not want to suffer racial discrimination at Japanese banks. The greatest fear of Koreans residing in Japan who run private business is a declaration of "suspension of transactions" by the union. In short, the union has strong influence over the Koreans affiliated with Chongnyon.

When Japan's bubble economy collapsed in the 1990's, Japanese financial circles began to have serious difficulties. Bad bonds at 11 Japanese banks reached 2 trillion yen in value. The Credit Union of the Choson Bank is also believed to face similar difficulties, although Chongnyon has not made it public.

The law of inheritance in North Korea also contributed to Chongnyon's difficulties. In North Korea, only the eldest son has the legal right to inherit all the parents' property. Those repatriated to North Korea from Japan are mostly sons and daughters of Koreans residing in Japan. Accordingly, when their parents affiliated with Chongnyon in Japan die, all of their property is to be handed over to North Korea. Such a case became

a reality when a Korean businessman in Japan (the president of Tongyang Tourist Corporation), who was reported to have property valued at 50 billion yen, died in May 1991.

The Japanese ruling party's moves to accelerate the establishment of diplomatic relations with North Korea also throw Chongnyon into confusion in connection with money. Chongnyon's unrest is that if North Korea and Japan establish diplomatic relations and, thus, if Koreans affiliated with Chongnyon officially become citizens of North Korea, a socialist state, they wonder "what will become of our property?"

One of the reasons for North Korea to support Chongnyon is the financial capability of Koreans residing in Japan. North Korea is welcoming the rich Unification Church these days.

The second is about indoctrination, or education. In an effort to strengthen its influence, Chongnyon has provided the 700,000 Korean residents in Japan with schools to teach the Korean language. Chongnyon has 66 kindergartens, 83 primary schools, 56 middle schools, 12 high schools, and one university located throughout Japan. For Koreans residing in Japan, educating their children has been an important problem.

It is true investment by North Korea and Chongnyon in the education of Korean children in Japan has greatly contributed to enhancing North Korea's image among Korean residents. However, such education is aimed mainly at propagating the North Korean regime and at inculcating communist ideology among the Korean residents. As a result, Chongnyon has encountered difficulties in recruiting students since the 1980s.

Chongnyon has not officially released the details of its number of students, but entering the 1990s the number was estimated to be less than 200,000. Realizing such a difficult situation, Chongnyon once rectified its education policy by including the history of Japan and its geography in the regular curriculum of the Chongnyon-operated schools.

The third issue concerns hostages. One of the great secrets that made it possible to maintain Chongnyon is Korean residents in Japan repatriated to North Korea. According to the Japanese Ministry of Justice, some 93,000 Korean residents in Japan have been repatriated to North Korea. The so-called repatriation of Korean residents in Japan, which began in December 1959, gradually slumped; the number of Korean residents repatriated to North Korea totalled 49,036 in 1960, 22,801 in 1961, and 3,497 in 1962, showing a sharp decrease. This was because those repatriated to North Korea had informed their families in Japan of the real

situation in the North. Furthermore, those repatriated to North Korea were not allowed to visit Japan again to meet their families, causing a major shock to Korean residents in Japan.

Nevertheless, those Koreans repatriated to North Korea have played a major role in Chongnyon's sending of money, called "donations," to North Korea. In other words, the families remaining in Japan of those repatriated to North Korea have continued sending money to North Korea in fear of the safety of the hostages, their families in North Korea. It is said the "donations" have totalled 60 billion yen. However, the "hostages'" role has grown gradually ineffective because they are growing old. There are few Korean residents in recent years who have volunteered to be repatriated to North Korea, other than Chongnyon cadres who are summoned to North Korea after causing trouble.

#### **"Why Should We Sing Songs Praising Kim Il-song's Son?"**

In addition, another reason Chongnyon has grown weak is because of its efforts to deify Kim Chong-il.

Explaining his reasons for withdrawing from Chongnyon, a Korean resident in Japan said: "We had to sing songs praising Kim Il-song in lecture meetings we were obliged to attend. We used to sing songs praising Kim Il-song during our childhood, so we did not have much ill feeling toward it. However, in recent years at lecture meetings, we had to begin by singing songs praising Kim Il-song, then finish by singing songs praising Kim Chong-il. We had ill feelings about this, thinking: Why should we sing songs praising Kim Chong-il. For some time I only pretended to sing. However, one day a woman who sang loudly in the front seat suddenly knocked me down as self-criticism."

At present, the Chongnyon Central Committee has 48 regional headquarters, 300 chapters, and 18 subordinate organizations, and 23 business firms. However, Chongnyon organizations have entered their "senescence," and their leadership has shown a phenomenal slackness since the death of Kim Il-song. In view of this, it is doubtful whether Chongnyon will continue to play its role as a "chuché-oriented organization of overseas Korean residents."

#### **WTO Leader Kim Chol-su on Trade Disputes**

*SK1206100195 Seoul YONHAP in English  
0854 GMT 12 Jun 95*

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — Kim Chol-su, deputy secretary general of the newly launched World Trade Organization (WTO), on Monday

urged member countries to resolve trade disputes within the WTO framework rather than resort to exercising their influential power through bilateral actions.

Meeting reporters days before departing on June 20 for Geneva to take up the post of the deputy secretary general of the WTO, Kim said, "I do not expect the United States will try to settle trade disputes with bilateral action and thereby violate the (WTO) norms, in consideration of the reality in which the WTO system is operated, in a sense, by the leadership of the United States."

Kim was talking about the ongoing trade dispute between the United States and Japan which has been undergoing dispute settlement procedures under the WTO framework.

"The principle of norm rather than that of influential power will be established when trade disputes can be settled within the framework of the WTO," Kim said.

On trade disputes between South Korea and the United States, Kim declined to make any prediction, saying "There are so many variables in trade disputes that I would refrain from making any prediction on the outcome of the ongoing Korea-U.S. trade disputes under the WTO framework."

He proposed that the South Korean Government make more efforts to train international trade experts when the spheres of international trade are becoming wider and more complicated.

"To that end, South Korea needs to introduce a new system to train trade experts abroad as well as in the country," he said. "The government will also introduce new posts dealing with international trade affairs and allow them to continue to work in the field."

Although the keen competition for the post of the first secretary general of the WTO resulted in an early election of the top WTO officer, Kim did not expect that fact to hinder the smooth operation of the WTO.

"The WTO is going smoothly in virtually every field of operation including negotiations in service sectors, the environment, trade and other pending issues," said Kim.

Kim said that he went to Geneva, where the WTO is headquartered, four weeks ago to consult with WTO Secretary General Renato Ruggiero on what kind of tasks Kim will be in charge of as Ruggiero's fourth deputy.

"The talks with Ruggiero gave me the feeling that my career as a trade expert for the past 20 years, including as top negotiator in international textile negotiations, will be fully considered."

He also said that he experienced no awkward feelings when meeting and talking with Ruggiero.

The former South Korean trade minister will assume his new post beginning July 1.

#### Regime Fails in Financial Liberalization Talks

SK1306031095 Seoul *THE KOREA TIMES* in English  
13 Jun 95 p 9

[FBIS Transcribed Text] Korean negotiators are under fire for returning home empty-handed from the multi-lateral financial market-opening talks in Geneva despite their series of concessions to the United States, the European Union and other members of the World Trade Organization [WTO].

Just a few months ago when the WTO financial market-opening negotiations got started, Korean Ministry of Finance and Economy officials said they would link the opening of the domestic financial market to concessions made by WTO members to improve the operating environments in which Korean financial institutions functioned overseas.

Korean negotiators also published a list of alleged discriminatory practices and business difficulties that Korean financial institutions confront in the United States, the European Union and a few other Western countries.

At that time they said even though the West maintains an open financial system, there are visible and invisible barriers there troubling Korean bankers, brokers and insurers.

One example was the duplicate licensing system run by state and federal regulators in the United States. Some U.S. states even deny entry to Korean insurers, the Ministry of Finance and Economy reported. It also accented the cumbersome and costly visa processing required for Korean financiers assigned to the United States.

One of the Korean negotiators said before the global talks started, "We will adopt an-eye-for-an-eye approach in the WTO financial market-opening negotiations," indicating no concessions would be made unless other counterparts made similar concessions.

But they returned home empty-handed and sighed over the endless demands from the U.S. and the European Union. They gave no hint of what concessions they got from WTO members. They never suggested why the United States had demanded one-sided concessions from Korea even though Washington is stingy about accommodating Korean requests.

**Curbs on Foreign Building Inspectors Lifted**

*SK0906113895 Seoul YONHAP in English  
0801 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — Beginning next month, foreign construction supervisors will be accorded the same treatment as their domestic counterparts.

Under the new measures the Construction and Transportation Ministry took Friday to lift restrictions on foreign construction supervisors, foreign inspectors will be allowed to participate in construction projects costing 5 billion won (about 6.6 million U.S. dollars) or more, starting July 1.

At present, participation by foreign inspectors is limited to such difficult bridge and subway construction projects as require special civil engineering techniques.

In addition, public agencies awarding construction contracts may employ foreign supervisors for such contracts without the construction and transportation minister's prior approval.

And government agencies under the ministry's control will be required to have foreign inspectors check construction projects needing special civil engineering techniques or having been awarded for unusually low bids.

Accordingly, foreign inspectors working on road, railway, harbor, bridge, subway, dam and apartment construction projects will greatly increase next month, ministry officials said.

The ministry is consulting with the Justice Ministry about ways to simplify the procedure of issuing entry visas to foreign construction inspectors, they added.

At present, the visas are issued with the construction and transportation minister's endorsement.

An official said the wider opening of the construction inspection market to foreign firms would help decrease defects in construction projects and help to develop domestic construction inspection techniques.

**Foreign Minister Addresses Nation's Role in UN**

*SK1206042795 Seoul YONHAP in English  
0231 GMT 12 Jun 95*

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — South Korea will continue to actively participate in peacekeeping operations (PKO) and humanitarian relief activities while focusing more attention on control of nuclear and other weapons of mass destruction and the issue of development, Foreign Minister Kong No-myong said Monday.

Delivering a keynote speech at a seminar on the "Rise of East Asia and the United Nations" co-hosted by the Korean National Committee for the 50th Anniversary of the United Nations and the International Institute for Strategic Studies, Kong announced those issues will constitute the bulk of South Korea's international focus if the country is elected to the United Nations Security Council (UNSC) for 1996 and 1997.

During the opening ceremony held at the Hotel Hilton, Kong also said that the "Restructuring of the Security Council, in particular, should be made in such a direction as to enable the council to cope more effectively with various conflicts of the post-cold war era and to ensure that its decisions be fully respected in their implementation."

Welcoming the current movement to reform the United Nations to meet the needs of the time, Kong also said that the "Security Council's new composition should truly reflect the realities of the international society as well as the need for adequate representation."

Supporting a strong United Nations role in the post-cold war era, Kong said that South Korea is prepared to continue to increase Seoul's financial contribution to the United Nations commensurate with its economic ability to help in the United Nations' expanding role.

"With our continued economic growth and our added commitments in regional and international organizations, we will keep increasing our financial contribution to the international society," the foreign minister said.

Kong also said that it should be noted that Korea's new diplomatic policy gives top priority to such universal values as democracy, liberty, welfare and human rights, while adding that South Korea was recently reelected to the membership of the United Nations Commission on Human Rights which he believed attests to the international trust of the human rights situation in Korea.

In line with the government's policy of globalization, South Korea will continue to broaden its efforts to assist United Nations' endeavors in such areas as the environment, population, development, human rights and refugees, according to Kong.

**Envoy Attending UN Reform Meeting in Sweden**

*SK1206081395 Seoul YONHAP in English  
0712 GMT 12 Jun 95*

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — The government dispatched a presidential envoy to a meeting that will review the reform process for the United Nations slated for June 13-14 in Stockholm, Sweden, an official at the Foreign Ministry said Monday [12 June].

The envoy, headed by Yu Chong-ha, senior secretary for foreign affairs and national security, plans to return home Friday.

The Stockholm gathering, proposed by Swedish Prime Minister Ingvar Carlsson, to celebrate the United Nations' 50th anniversary, will discuss ways to renovate and cement the international peace-keeping body, with some 15 nations such as Japan, India, Canada and Brazil, attending.

South Korea will actively take part in the discussion on such major U.N. issues as the revamping of the U.N. Security Council, peace-keeping operations and the reform of the U.N. budget and administration, the official noted.

**Joint Science Programs With ASEAN Planned**

*SK0906114295 Seoul YONHAP in English  
0842 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, April 9 (YONHAP) — South Korea and the Association of Southeast Asian Nations (ASEAN) agreed Friday to further pursue cooperative programs and activities in the area of science and technology and developments of commodity products and human resources, according to a statement released by the Foreign Ministry.

The statement, released just after the second three-day South Korea-ASEAN dialogue ended, also said that the two sides agreed that there should be closer contact and coordination between the ASEAN diplomatic missions here in Seoul and the economic and other concerned ministries of South Korea in an effort to promote mutual understanding on commodity and commodity related issues.

The dialogue, represented by Yi Chae-chun, deputy minister for political affairs, on the Korean side, and Jose Del Rosario, Jr., director general of the Office of ASEAN Affairs, Department of Foreign Affairs of the Philippines, also agreed to consider establishing an ASEAN Promotion Center (APC) on Information, Culture and Tourism in Seoul in the hope that the APC could be a fitting symbol of the rapid development of the ASEAN-Korea relationship.

The third South Korea-ASEAN dialogue will be held in Manila, Philippines, in the early part of 1997.

**Foreign Ministry Official on Yugoslavia Talks**

*LDI206152095 Belgrade TANJUG in English  
1312 GMT 12 Jun 95*

[FBIS Transcribed Text] Seoul, June 12 (TANJUG) — South Korea works towards the soonest possible ending of the conflict in the areas of former Yugoslavia while

finding negotiable solutions, a senior Korean Foreign Ministry official stated on Monday.

Director General for Europe Han Tae-kyu, in a talk with visiting Yugoslav Deputy Foreign Minister Radoslav Bulajic and Ambassador Branko Brankovic, said that Seoul believed that it was necessary to preclude any military confrontations which could spill over outside Bosnia's boundaries.

Bulajic and Brankovic are in Seoul for official consultations between representatives of the Yugoslav and South Korean foreign ministries.

Han Tae-kyu said that South Korea wants to learn to the maximum the essence of the conflict in the areas of former Yugoslavia. This is, he said, because it becomes a non-permanent member of the U.N. Security Council next year when it will be able to approach the solving of problems in the areas of former Yugoslavia from the objective and pragmatic point of view.

At the talks in Seoul, Yugoslav representatives also posed the question of future economic cooperation.

The two sides showed interest in holding more specific negotiations to reach accord in the field of economic cooperation once the sanctions against Yugoslavia were lifted.

**Government Signing Trade Pact With Croatia**

*SK1006055195 Seoul YONHAP in English  
0532 GMT 10 Jun 95*

[FBIS Transcribed Text] Seoul, June 10 (YONHAP) — South Korea and Croatia will sign a trade agreement Monday to promote trade and economic relations between the two countries, according to Foreign Ministry spokesman Yu Kwang-sok Saturday.

The agreement, the first since South Korea and Croatia established diplomatic relations in 1992, will be signed between Yi Chae-chun, deputy foreign minister for political affairs, and Croatian Foreign Minister Mate Granic in the Croatian capital of Zagreb, Yu said.

The agreement stipulates that the countries provide each other with most-favored-nation trading status.

It will eliminate South Korea from being subjected to limitations on export amounts and will permit all South Korean goods to be exported to Croatia, and vice versa.

**Seoul Subway Union Votes for 'Labor Actions'**

*SK0906114595 Seoul YONHAP in English  
0846 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — The trade union of the Seoul Metropolitan Subway

Corp. voted to enact dispute actions on Friday [9 June] as the collective bargaining meetings held with the corporation's management have not made any progress.

About 77 percent of the 8,046 union members who participated in the meeting voted in favor of enacting collective actions. Only 21 percent, or 1,676 voted against the labor actions.

If the negotiation does not make any progress, the union said, it will begin collective actions on June 17.

The union reported the outbreak of a labor dispute to the Labor Ministry and the Central Labor Committee on June 1, and since then has negotiated with the corporation directly.

The unionists have demanded the corporation raise their annual salaries 10 percent and that management drop a suit filed against the union demanding 5.1 billion won in damages for losses created by industrial actions of the union last year.

The union has also demanded that the corporation reinstate 38 employees dismissed in connection with labor disputes of past years.

#### **Emergency Meetings on Hyundai Worker's Death**

*SK1306033595 Seoul YONHAP in English  
0240 GMT 13 Jun 95*

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, June 13 (YONHAP) — As the Hyundai Motor Co.'s ex-unionist who attempted to burn himself to death last month died Tuesday morning, both company management and the union are busy trying to settle the aftermath by convening emergency meetings.

Yang Pong-su, 28, who was undergoing medical treatment for his third-degree burns at Tongsan Hospital in Taegu since May 12 when he set himself on fire in front of Hyundai Motors' front gate, died of complications, among them scurvy, at around 8:05 am Tuesday, 33 days after the incident.

The management held an emergency meeting Tuesday morning to deal with Yang's death and sent officials to Tongsan Hospital, to discuss with Yang's bereaved family the funeral arrangements. The company has yet to conclude negotiations with the family regarding compensation for Yang.

The trade union also held an emergency meeting Tuesday morning and decided to negotiate with management on Yang's funeral arrangements and compensation. The union, meanwhile, asked its members to work as usual without letting Yang's death affect operations.

The "Self-Burning Measures" Committee, that masterminded an illegal sit-in strike in mid-May, reportedly

held an emergency gathering Tuesday morning for the same purposes.

#### **President Kim Meets With Economic Ministers**

*SK0906025895 Seoul YONHAP in English  
0228 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — President Kim Yong-sam on Friday presided over an expanded meeting of economic ministers at the government complex at Kwachon, south of Seoul, with his chief and senior secretaries attending.

The chief executive instructed Deputy Premier and Finance-Economy Minister Hong Chae-hyong and other economic ministers to effectively deal with the labor unrest and the growing trade deficits.

Evaluating the functional readjustments implemented in the government's organizational revamping late last year, President Kim emphasized, "an elevation of the administration's productivity is a major task that must be fulfilled under the globalization policy."

The president ordered the finance and economy ministry to transfer to other economic ministries its executive functions, while reinforcing its function of comprehensive coordination.

As to the upcoming June 27 local elections, Kim called for efforts to prevent the polls from affecting the economy adversely, and to renovate the election atmosphere by ensuring fair and honest elections.

#### **MOFE Restructuring Term 'Cosmetic Gesture'**

*SK1006013995 Seoul THE KOREA TIMES in English  
10 Jun 95 p 17*

[Article by Yi Chang-sop]

[FBIS Transcribed Text] The Ministry of Finance and Economy (MOFE) yesterday unveiled plans to transfer some of its minor functions to other ministries but the plan is widely regarded as a cosmetic gesture to divert the mounting criticism over its exercise of power.

The MOFE said it will delegate anti-dumping investigation power and the foreign direct investment promotion business to the Ministry of Trade, Industry and Energy.

It said the execution of supervisory function over insurance companies will be transferred to the Insurance Supervisory Board. The Korea Asset Management Corp. will be under the supervision of the state-run Korea Development Bank and the Korea Appraisal Board will be supervised by the Ministry of Construction and Transportation.

Deputy Premier-Finance and Economy Minister Hong Chae-hyong reported the program to President Kim Yong-sam when he met economic ministers yesterday at the government complex in Kwachon, Kyonggi Province.

Minister Hong also said the 12 committees over which he presides, will be abolished and the five other committees he chairs will be transferred to other government agencies.

He said the plan to reduce the MOFE's function will be implemented by August and when the revision of laws is necessary, it will be enforced by the end of this year.

Since the blitzkrieg merger of the Economic Planning Board and the Ministry of Finance in December last year, the MOFE has become a target of criticism from the public and even from government officials, including MOFE officials themselves.

The public skepticism over the MOFE's wayward exercise of power was heightened when Finance and Economy Minister Hong disclosed plans to down-grade the function of the already weak central bank. In addition, he sought to separate the Office of Bank Supervision from the central bank to merge it with securities and insurance supervisory organizations to create the financial supervisory board.

This scheme drew wide criticism and public opinion was moving in favor of putting a brake on the "almighty" MOFE. President Kim was said to have asked Minister Hong to come out with plans to "adjust" the MOFE's functions.

The ministry has unveiled a series of deregulation plans for the financial market but criticism from the financial and business community over lack of progress in the improvement of the controlled financial system has not subsided. Minister Hong yesterday told President Kim that he would come out again with a comprehensive plan to deregulate the financial market by the end of this month.

Professor Yi Pil-sang of Korea University said the merged superministry began to "maximize the synergy of the bureaucratism" and resulted in the loss of balances and checks among government ministries. He added that the monstrous MOFE was able to "raise degree of efficiency in the government control of economic and financial policies."

In budgeting, the MOFE could easily raise taxes without being checked by the former Finance Ministry. In financial policies, the MOFE became more sophisticated in exercising its influence over financial institutions.

He said the MOFE devised more subtle, invisible and delicate ways of controlling financial institutions.

Not to mention the general public, other government officials also feel the MOFE's almighty bureaucratic attitude. Non-MOFE officials have to "beg" to secure more funds.

If non-MOFE ministries and agencies are not cooperative with what the MOFE is seeking to implement, they may risk problems with the MOFE when they negotiate their budget, an non-MOFE government official said.

Foreign trading partners, including the United States, found it easy to open Korean markets.

They sometimes "made a fire around the MOFE and everything is solved," an observer here said.

The MOFE's wayward dashing has made government officials at the other ministries powerless and directionless. Even inside the MOFE, invisible power struggle is still going on among the Ministry of Finance (MOF) and Economic Planning Board (EPB) groups.

MOF personnel are promoted slower than EPB officials. In worst cases, elder MOF officials work under "younger" EPB bosses.

As the economy is growing at full speed, the negative side effects of the arbitrary merger of the MOF and EPB are not erupting but as time progresses, skepticism over the "brakeless movement of the MOFE" will grow, analysts here said.

#### DLP Files Election Complaints Against DP

SK1306080795 Seoul YONHAP in English  
0742 GMT 13 Jun 95

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — The ruling Democratic Liberal Party [DLP] lodged complaints with the Seoul prosecution Tuesday against the spokesman for the main opposition Democratic Party [DP] for allegedly circulating false rumors about its electioneering.

In a charge filed against DP Spokesman Rep. Pak Chi-won, Rep. Kang Sin-ok, the DLP's Fair Election Promotion Committee chairman, accused that "the Democratic Party has recently spread a false rumor that the Democratic Liberal Party is in fact supporting independent candidate Pak Chan-chong for the Seoul mayoral post."

The secretary-general of the DLP's Seoul City Chapter, Cho Chung-yong, meanwhile, brought a charge against the DP's Fair Election Measures Committee Chairman Rep. Pak Sang-chon, who allegedly asserted that candidate Chong Won-sik of the DLP recently gave a certain low-echelon party official T-shirts with the symbol of

the Democratic Hiking Society printed on them, money and other gifts to distribute to voters.

The Democratic Hiking Society is a private fraternity headed by confidants of President Kim Yong-sam.

The prosecution, having accepted the complaints, plans to summon the two accusers for questioning soon.

#### **Daewoo Reports Net Profit of 67 Billion Won**

*SK1206081295 Seoul YONHAP in English*

*0701 GMT 12 Jun 95*

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — Daewoo Securities Co. raked in the largest net profit of 67.2 billion won among 32 domestic brokerage houses during the 1994 fiscal year that ended in March, the Securities Supervisory Board (SSB) said Monday.

The runner-up was Hanshin with 55.9 billion won, followed by LG with 38.9 billion won, Daishin with 37.3 billion won, Dongsuh with 35.2 billion won and Ssangyong with 33.4 billion won.

Equity capitals of the domestic securities firms totaled 10,347 billion won (13.6 billion U.S. dollars) at March's end, up 5.7 percent from a year earlier, according to the SSB.

Daewoo had the largest size capital, with 1,080.1 billion won, followed by LG with 910.3 billion won, Daishin with 849.8 billion won, Dongsuh with 827.1 billion won and Hanshin with 616.2 billion won.

Ssangyong recorded the largest capital increase with 91.8 billion won in the year ending March, followed by Daewoo with 57.8 billion won, Hanshin with 54.1 billion won and Kyobo with 41.8 billion won.

Daewoo held the largest amount of 575.5 billion won worth of shares in its portfolio among the domestic brokerage firms at March's end, followed by LG with 515.8 billion won, Daishin with 495.2 billion won, Dongsuh with 471.1 billion won and Ssangyong with 355.5 billion won, the SSB said.

**Burma**

**Than Shwe Returns From Indonesia, Singapore**

*BK1106145195 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Jun 95*

[FBIS Translated Text] Senior General Than Shwe, prime minister and chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma]; his wife Daw Kyaing Kyaing, and party returned to Yangon [Rangoon] from Singapore by special aircraft at 1030 this morning after paying goodwill visits in Indonesia and Singapore at the invitation of Indonesian President Suharto and his wife; and Singaporean Prime Minister Mr. Goh Chok Tong.

The SLORC chairman and prime minister, Sr. Gen. Than Shwe; and his wife Daw Kyaing Kyaing were welcomed at the Yangon International Airport by General Maung Aye, vice chairman of the SLORC; Lieutenant General Tin U, secretary-2 of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, SLORC members and deputy prime ministers; SLORC members, cabinet ministers, deputy foreign ministers, high-ranking military officials and their wives, military and civil officials; Mr. Mohamed Hassan Ghanem, dean of the Diplomatic Corp and Egyptian ambassador to Myanmar, and his wife; senior diplomats and their wives; Mr. Thomas Ng Boon Ho, charge d'affaires of the Singapore Embassy; and Mr. Oddy Yusmanadi, charge d'affaires of the Indonesian Embassy.

**Military Delegation Returns From Laos**

*BK1106152595 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Jun 95*

[FBIS Translated Text] A high-level military delegation led by Major General Kyaw Than, commander of the Central Military Command, returned to Myanmar [Burma] on a special military aircraft flight this evening after paying a goodwill visit in the Lao People's Democratic Republic at the invitation of Lieutenant General Ai Souli-graseng, chief of the General Staff of the Lao People's Army.

The delegation was welcomed by Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council; Rear Admiral Tin Aye, chief of staff of the Navy; Maj. Gen. Tin Ngwe, chief of staff of the Air Force; Colonel Kyaw Than, commander of the Mingaladon Air Base; and family members.

**Rangoon Commander Stresses Military Priorities**

*BK1306084595 Rangoon TV Myanmar Network in Burmese 1330 GMT 12 Jun 95*

[FBIS Translated Text] Lieutenant General Myo Nyunt, commander of the Rangoon Command, attended the

1995 first quarterly coordinating meeting of the General Staff, the adjutant general's staff, and the quartermaster's staff which was held in the conference hall of the Rangoon Command today at 1330.

Speaking at the meeting, Lt. Gen. Myo Nyunt urged the tactical commanders, local commanders, regimental commanders, and unit commanders to present their problems and suggestions related to the General Staff, the adjutant general's staff, and the quartermaster's staff at today's meeting. Lieutenant Colonel Hla Aye, General Staff officer, grade one, presented a report on matters related to the General Staff; Lt. Gen. Myint Thein, deputy military advocate general, presented a report on matters related to the adjutant general's staff and military laws; and Lt. Col. Myo Kyaw, quartermaster's staff officer, grade one, presented a report on matters related to the quartermaster's staff.

Speaking on preparations to ensure the strength and full capability of the Defense Services, Lt. Gen. Myo Nyunt explained: 1) the Defense Services was formed to defend the state; 2) the need to continue training to maintain capability even if there are no military operations to undertake; 3) the need to carry out public welfare work if there is no training to undertake. He said only then can the strength of the Defense Services be maintained. He said the strength of the Defense Services is important in ensuring the three strengths of the nation — 1) national unity; 2) organization of a modern and strong Defense Services for national defense; 3) economically strong, modern, and progressive nation. He said it is necessary for the leaders to win the war and to train the Defense Services to maintain its capability and to supervise the military personnel to uphold the 10 strengths of the Defense Services and the military code. He said it is necessary to have correct organizational approach in implementing national construction tasks and to uphold the conviction that one is discharging duty toward national development tasks.

Referring to the opium king, Khun Sa, Lt. Gen. Myo Nyunt said that recently Loimaw terrorist insurgents attacked Tachilek. The opium king, Khun Sa, is engaged in distribution of narcotic drugs and is killing and terrorizing innocent citizens. As such, he is regarded as the enemy of the Defense Services, the state, and the world. However, he has been given a refuge by the country on the other side [Thailand] as you may have read in the newspapers. It is necessary to view an enemy as an enemy. He said that meanwhile, foreign broadcasting stations are carrying out instigations, and some party members inside the country are engaged in publication activities, holding secret meetings on the Shwedagon Pagoda platform, and using social occasions

to hold meetings. We have learned that these activities are aimed at a certain time frame.

Lt. Gen. Myo Nyunt called on the military personnel to accept and follow as guiding principles the speeches delivered by the commander in chief of the Defense Services, Senior General Than Shwe, on the occasion of the 50th anniversary of the Defense Services and at the graduation ceremony of the Officers Training Course No. 36 at the Defense Academy. He also called on the military personnel to work hand in hand with the national front — the Union Solidarity and Development Association — the Red Cross and the Fire Services Reserve units.

Lt. Gen. Myo Nyunt concluded his speech by stressing the need to have security vigilance constantly and to systematically implement the following guidelines: 1) Keep in constant touch with the rank and file; 2) enforce supervision and control; and 3) maintain line of command.

### **Brunei, Malaysia & Singapore**

#### **Malaysia**

##### **Defense Minister on Withdrawing Bosnia Observers**

*BK1306103895 Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Jun 95 p 4*

[FBIS Translated Excerpt] Rawang, 12 Jun — Minister of Defense Syed Hamid Albar has reiterated that Malaysia should not be accused of being a coward for deciding to withdraw its 27 military observers in Bosnia-Herzegovina.

Asked to comment on the criticism by several countries for the decision, he said that before making wild accusations, those concerned parties should study the reasons why Malaysia took this measure.

"If Malaysia is a coward, we would definitely withdraw all our soldiers, including the 1,533 personnel of the MALBAT [Malaysian battalion]." He was speaking to journalists after inaugurating the Arms Equipment Complex at the Defense Science and Technology Center in Batu Arang near here today.

Syed Hamid said, actually the withdrawal of the military observers is aimed at making sure that all the Malaysian military officers and men play a more effective peace-keeping role in Bosnia.

"We are not cowards because we are now upgrading the status of MALBAT to MALFORCE [Malaysian Force] — that is from a battalion unit to a brigade," he said.

On the status of the 27 military observers, Syed Hamid said that for the moment they will be absorbed into the MALBAT and would be sent home later.

However, those who criticized Malaysia for the withdrawal did not make any comment on its move to upgrade the MALBAT to MALFORCE.

Malaysia decided to withdraw its military observers after realizing they could not perform an effective role in the effort to end the conflict in Bosnia. [passage omitted]

#### **Singapore**

##### **Goh Hosts Dinner for Burma's Than Shwe**

*BK0906132195 Singapore THE STRAITS TIMES in English 9 Jun 95 p 1*

[Report by Derwin Pereira]

[FBIS Transcribed Excerpt] Singapore and Myanmar [Burma] yesterday agreed to boost economic and trade links at the start of a four-day visit by Yangon's [Rangoon's] top military leader and ministers.

The two countries sealed an economic cooperation agreement which involved the setting-up of a high-level committee to coordinate projects and activities.

Prime Minister Goh Chok Tong said at a dinner hosted for General Than Shwe, chairman of Myanmar's State Law and Order Restoration Council (Slorc), that the agreement was an "important milestone" in bilateral relations.

"It will provide the framework for deepening and broadening our economic linkages," he said.

Mr. Goh, who visited Myanmar in March last year to discuss opening up its economy and encouraging foreign investment, said the Republic would help Myanmar integrate itself into the region and develop like the Asean countries.

He added that steps taken toward a market economy would enable Myanmar to join the train of emerging Asian economies.

"If the momentum is sustained by constructive political developments and stable conditions, there will be increased international confidence in your country's investment climate," he said.

"A stable, peaceful Myanmar which enjoys good economic growth and is well-integrated with the region will benefit the people of Myanmar and the region."

He noted that economic cooperation continued to develop between both countries. Singapore's trade with

Myanmar reached U.S. \$570 million last year while investments were close to U.S. \$300 million.

The Republic ranks as one of the largest foreign investors in Myanmar with investments in tourism, hotel, manufacturing and finance and banking projects.

Mr. Goh said that while Singapore's private sector investments were concentrated on tourism, businessmen were also keen on diversifying into other key sectors like industry and infrastructure.

In his speech at the dinner Gen. Than Shwe, who is also Myanmar's prime minister, said that through contacts at various levels, Yangon benefited from Singapore's nation building success and economic development.

He said his visit, at the invitation of Mr. Goh, was "a significant symbol of a concrete step forward" in bilateral ties. He added that steps were being taken to invite foreign investment and encourage local entrepreneurship.

Gen. Than Shwe, who is leading a 44-member delegation to Singapore, called on President Ong Teng Cheong and held talks with Mr. Goh after a ceremonial welcome earlier in the day .

A Ministry of Foreign Affairs spokesman said there was an exchange of views on bilateral relations and regional issues. [passage omitted]

### Cambodia

#### BLDP Congress To Settle Leadership Rift

BK1206120795 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 11 Jun 95 pp 1, 11

[FBIS Translated Text] The Buddhist Liberal Democratic Party's [BLDP] internal dispute over Ieng Muli's expulsion from the Steering Committee and the party, decreed recently by Samdech Son Sann and the committee, is approaching settlement under internal party regulations providing that all problems should be solved through a congress scheduled for one or two months from now. REAKSMEI KAMPUCHEA was informed of this by a high-ranking BLDP member.

Ieng Muli, who is information minister, is first vice chairman of the party. However, this position was handed over to Son Soubert, and Son Soubert's position as party secretary general was given to Keat Sokun during the meeting of Son Sann's five-man Steering Committee. This decision was regarded by Ieng Muli as contrary to party regulations.

Since the dispute surfaced, Ieng Muli has won increasing support from the Steering Committee as well as the provincial, municipal, and district committees. His pop-

ularity has allowed Ieng Muli to run for the top spot in the upcoming party congress when Son Sann's tenure as party chairman will be challenged strongly.

High-ranking party official Sieng Lapresse, who is the executive officer of the Information Ministry, told REAKSMEI KAMPUCHEA that 15 members of the Steering Committee met on 3 June and set up the BLDP Provisional Executive Bureau with Ieng Muli as acting party chairman, Pen Thol as vice chairman, Son Chhai as secretary general ... and so on. He said that the Executive Committee members of the Steering Committee, the Control and Disputes Committee, and other party committees are all temporary and await final confirmation by the party congress. It is to be noted that all these provisional structures have been created in the wake of the dispute, and these forces have been inclined to support Ieng Muli.

Sieng Lapresse stressed that the provincial, municipal, and district committees — the party's regional forces — will meet on 17 June under Ieng Muli's chairmanship to work out and approve an agenda and schedule for the congress to settle all party problems. He added that whether the party congress is held sooner or later depends on the reaction at the meeting and that the congress will make legal decisions on all the problems.

Sieng Lapresse explained that it is the congress and not individuals who own the party. Therefore, the congress will solve all problems; elect the chairman, vice chairman, secretary general, Executive Committee, and Steering Committee; and also amend the regulations, name, and configuration. He praised Ieng Muli for his candidacy as chairman, predicting that Ieng Muli will win more support than Son Sann.

Analysts have observed that although the BLDP has yet to break up formally, its internal affairs have been run by two different factions: one led by Son Sann and the other led by Ieng Muli. These two paths will converge at the congress where internal problems and disputes will be presented for discussion.

Despite their sharp differences, both Son Sann and Ieng Muli continue to agree on party objectives, making it obvious to all that their disagreement is more than anything a personality conflict that needs to be resolved by the congress. Ieng Muli has won the trust and confidence of 15 of the 30 Steering Committee members. They believe that he is more broad-minded and has a better understanding of the situation facing the party at the present than Son Sann, who has been chairman for a long time. If the congress anoints Ieng Muli as chairman this will be a considerable step for the BLDP and will greatly affect the prestige of Son Sann as one of the party's most senior architects.

There has yet to be any reaction to Ieng Muli's appointment as acting chairman and candidate for the chairmanship. We must just wait and see who the congress chooses.

### Laos

#### President, Delegation Visit Cambodia

##### Invited by King

*BK0906131495 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Jun 95*

[FBIS Translated Text] His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], his wife, and delegation left Vientiane for Phnom Penh this morning for a state visit to the Kingdom of Cambodia. The visit, scheduled from 8 to 11 June, is in response to an invitation of King Norodom Sihanouk Varaman and Queen Norodom Monineat Sihanouk of the Kingdom of Cambodia. An official ceremony to see H.E. the president and his delegation off was held at the National Assembly Hall in Vientiane at 0630. Attending were H.E. Khamtai Siphandon, prime minister, and H.E. Saman Vi-gnaket, chairman of the National Assembly, and members of the National Assembly Standing Committee, ministers, deputy ministers, representatives of mass organizations, and many high-ranking cadres.

Also seeing H.E. the president and his delegation off at the ceremony Were (Cheang Chinhun), charge d'affaires of the Kingdom of Cambodia to the LPDR, and other staff members of the Cambodian embassy to Laos.

Accompanying H.E. President Nouhak Phoumsavan and his wife in the official delegation were H.E. Som savat Lengsavat, minister of foreign affairs; H.E. Ossakan Thammatheva, minister of information and culture and concurrently head of the Propaganda and Training Board of the Party Central Committee; H.E. Thongdam Chanthaphon, minister attached to the Presidential Office; H.E. Soulivong Dalavong, minister of industry and handicrafts; H.E. Boutsabong Souvannavong, governor of the State Bank; H.E. Kou Souvannamethi, chairman of the Lao-Cambodian Friendship Association; and a number of auxiliary personnel.

##### President Addresses Banquet

*BK1106130895 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Jun 95*

[Speech by President Nouhak Phoumsavan delivered at the banquet hosted in his honor by Cambodian King

Norodom Sihanouk in Phnom Penh on 8 June — read by announcer]

[FBIS Translated Text] Esteemed Your Majesty King Sihanouk and Queen Monique:

Your Excellencies, Ladies, and Gentlemen:

It is a great pleasure for me and my wife today to pay a state visit to the Kingdom of Cambodia. I am particularly proud to have the opportunity to meet, once again, with Your Majesty, an intimate friend who used to fight together with us for the common cause of national independence and who is revered by the Lao people.

I would like to take this auspicious occasion to express my heartfelt gratitude for the honorable and highly amiable reception Your Majesties the King and Queen, the Cambodian National Assembly, government, soldiers, police, and people rendered to our delegation which have made us feel as if we were visiting our close relatives.

As a matter of fact, Laos and Cambodia are two close neighboring countries bound together by history, cultures, and similar faith. The peoples of the two nations, since ancient times, have maintained close ties and mutual affection and assistance. We are deeply impressed by the statement of Your Majesty in connection with the friendly relations which have existed since time immemorial between Cambodia and Laos as well as the allegiance among the three fraternal peoples of Cambodia, Vietnam, and Laos in their struggles for the independence of their respective countries. The Lao people always remember the significant contribution made by Your Majesty King Norodom Sihanouk to the settlement of the Lao problem in 1961 and 1962. Your Majesty's historic visit [words indistinct] to Viangsai, a stronghold of the Lao Patriotic Front in 1973, fostered the mutual understanding between Your Majesty and the senior leaders of the Lao Patriotic Front which became the solid foundation for the joint struggle until victory was achieved in 1975. In this new era, Your Majesty has put forth numerous initiatives for the expansion of the said traditional friendship. We are pleased to see that the endeavors of Your Majesty, as the father of the Cambodian nation, in the complicated but rather valuable process of restoring and strengthening peace and national reconciliation, have attained achievements.

Cambodia, the land of the famous Angkor Wat and civilization, is undergoing development. The Government of the Lao People's Democratic Republic [LPDR] supports and praises the Government of the Kingdom of Cambodia for its efforts to secure a peaceful livelihood

for the Cambodian people; build an independent, peaceful, neutral, nonaligned, and prosperous Cambodia; and duly contribute to the tasks of peace, stability, and co-operation in the Southeast Asian region and world.

Your Majesty, the LPDR is in the process of national reconstruction and development in accordance with a comprehensive renovation policy and has accomplished many important initial achievements in terms of political stability, social harmony, and steady economic expansion. Despite of these achievements, the Lao people have not yet been liberated from poverty due to economic backwardness. For these reasons, our government has to mobilize all efforts to tackle the country's under-development problem and gradually improve the living conditions of the multiethnic people.

We believe that the improvement and strengthening of the friendly ties and cooperation on the basis of equality and spirit of mutual assistance between our two countries are the objective necessity for the development of our the two countries and an important factor for peace, stability, friendship, and cooperation in this region.

Under this cordial, warm, and brotherly atmosphere, I invite all distinguished personalities here to join me and my wife to drink a toast for the happiness and longevity of Your Majesty King Norodom Sihanouk, king of the Kingdom of Cambodia, and Her Majesty Queen Monique; the prosperity and stability of the Kingdom of Cambodia; the well-being of the fraternal Cambodian people; for the longlasting friendship and close cooperation between Laos and Cambodia; and for the good health of all of you distinguished personalities.

#### Ends Visit, Returns Home

BK1206140495 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Jun 95

[FBIS Translated Text] After concluding a four-day state visit to the Kingdom of Cambodia at the invitation of His Majesty King Norodom Sihanouk Varaman, the king of the Kingdom of Cambodia, and his consort, at 1100 on 11 June, His Excellency [H.E.] President Nouhak Phoumsavan and his wife left Cambodia for home by a special Lao Aviation Company plane, thus ending their visit with brilliant success.

An official send-off ceremony was held at Pochentong Airport with the honorable presence of His Majesty King Norodom Sihanouk Varaman and his consort, together with the leaders and important figures in the Cambodian Government and the National Assembly, members of the diplomatic corps accredited to Cambodia, staff members of the Lao embassy in Cambodia, and a large crowd of Phnom Penh residents.

H.E. President Nouhak Phoumsavan and His Majesty King Norodom Sihanouk Varaman paid respect to the national flags of the two countries while the Lao and Cambodian national anthems were played. They subsequently inspected the honor guard. H.E. President Nouhak then bade farewell to all the well-wishers present at the airport. Before boarding the plane, the two heads of state and their wives took leave of each other with fond memory amidst a warm and intimate atmosphere of fraternal friendship.

Thus, H.E. President Nouhak Phoumsavan and his wife concluded the state visit to the Kingdom of Cambodia with glorious success, bringing back with them the fraternal friendship of Cambodian people to our people. The success of this visit has become an even firmer foundation for the relations between Laos and Cambodia in the new period.

At 1300 on the same day, H.E. the President and his wife arrived in Vientiane. A welcoming ceremony was held for them at the National Assembly hall in Vientiane in the presence of H.E. Prime Minister Khamtai Siphandon; H.E. Saman Vi-gnaket, chairman of the National Assembly; H.E. Oudom Khatthi-gna, in charge of guiding mass organization work; and H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Committee for Planning and Cooperation; together with members of the National Assembly Standing Committee and of the Lao Front for National Construction, ministers, and deputy ministers, representatives of mass organizations, and several high-ranking cadres concerned. (Keng Kimhoun), charge d'affairs ad interim of the Kingdom of Cambodia to Laos, and staff members of the Cambodian Embassy in Laos were also present.

#### Thailand

##### Defense Minister on Burma Bridge Dispute

BK1306060795 Bangkok BANGKOK POST  
in English 13 Jun 95 p 11

[FBIS Transcribed Text] Defence Minister Wichit Suk-mak said he believes the dispute between Thailand and Burma over the boundary in the Moei River will be settled through negotiations.

Construction of the Thai-Burmese Friendship Bridge between Mae Sot and Myawadi, suspended by Burma since last Wednesday, will soon resume, he said.

National Security Council secretary-general Charan Kunawanit said Burma's misunderstanding arose because Thailand had built a temporary iron bridge to transport construction materials and filled up earth into the Moei River to facilitate its construction.

The misunderstanding might be caused by poor coordination between both sides, he said.

Gen Charan said he believed the Foreign Ministry would seek negotiations with Burma to settle the dispute.

### **Work Stoppage Seen Straining Thai-Burma Ties**

*BK1306051495 Bangkok BANGKOK POST  
in English 13 Jun 95 p 11*

[FBIS Transcribed Text] Suspension of work on the Thai-Burmese Friendship Bridge over the Moei River last Wednesday [7 June] have markedly worsened relations at local level which have been cool for nearly five months.

Burma's suspension of the work came at a time when its State Law and Order Restoration Council [SLORC] chairman Gen Than Shwe led a delegation of 40 high-level officials to Indonesia and Singapore to sign tourism and economic agreements.

Several border experts believe relations between Thailand and Burma, both at local and government level, are not running smoothly, especially at the Mae Sot-Myawadi level.

Construction of the bridge linking Mae Sot in Tak province with Myawadi in Burma at first seemed to improve relations between the two countries.

Former transport and communications minister Winai Somphong and Burma's Construction Minister U Khin Maung Yin attended the foundation stone-laying ceremony last October 20.

The bridge was expected to be completed by the end of this year to herald Visit Myanmar [Burma] Year 1996.

But after work had been under way for about four months, fighting between Rangoon and Karen National Union [KNU] soldiers intensified along the Burmese border near Mae Sot.

This fighting benefited the Burmese government by causing a rift between Christian and Buddhist members of the KNU.

The Buddhists broke away to form the Democratic Karen Buddhist Organisation (DKBO) which allied itself with SLORC to fight the KNU.

The KNU lost several strongholds to SLORC and refugees, troops and some leaders fled across the border to Thailand.

While Thailand sheltered the refugees, SLORC seized the KNU's last stronghold Kawmura camp, opposite Mae Sot district.

The SLORC asked Thailand to pressure the KNU to withdraw its troops and weapons from Kawmura in order that it could easily capture the KNU's stronghold.

But Thailand refused.

Since Thailand sheltered refugees and refused to apply pressure to the KNU, relations between Mae Sot and Myawadi have declined.

The DKBA began incursions to seize KNU leaders in refugee camps, causing daily protests between Mae Sot and Myawadi local authorities.

Thailand protested against DKBA invasions and Burma accused Thailand of supporting KNU troops.

Burmese troops eventually seized Kawmura camp after the KNU withdrew its forces on February 21.

Burma blamed Thailand for helping KNU to transport its forces and weapons out of the camp.

"We had lost troops and weapons to seize only a deserted camp," a border source quoted a Burmese authority as saying.

To bar entry of villagers and goods to Burma, Rangoon closed the Mywadi checkpoint on March 4 and its troops began intensive attacks on refugee camps in Mae Hong Son and Tak provinces.

Protests between the two countries led to Rangoon's suspension of the bridge and five-point demand for Thailand to:

- Dig out earth which had been put into the Moei River;
- Quickly remove a temporary iron bridge from the construction site;
- Dismantle a rock bank along the river on the Thai side because it redirected the current to the Burmese side, causing erosion;
- Dig out the earth-fill along the river on the Thai side and to restore the channel to its normal depth; and
- Remove all buildings encroaching into the river.

If the demands were met, talks on construction of the bridge would be resumed, the Burmese authorities were quoted as saying.

Tak Chamber of Commerce president Niyom Wairatphanit said the dispute had to be resolved comprehensively.

"Thailand should make Burma understand the repatriation of refugees must be voluntary, not forced."

"Burma, in turn, must be ready to provide security, accommodation, cultivation areas and jobs for hundreds of thousands of refugees," he said.

Without any guarantee of jobs in their homeland, many refugees do not want to go home.

"If possible, the United Nations should get involved to ensure that neither Thailand nor Burma force the refugees to go home.

"Besides, a refugee shelter project should be also set up and funded by certain NGOs," Mr Niyom said.

He reckoned trade worth more than two billion baht would be lost annually if the bridge failed to proceed.

Thailand would also lose a golden chance to expand its trade to 10 billion baht during Visit Myanmar Year.

"Prime Minister Chuan Likphai has never visited Burma, nor has he invited his counterpart, Gen Than Shwe to visit Thailand.

"Probably, this is one reason making Burma disregard our country," Mr Niyom said.

#### 'Stronger Pressure' on Burmese Generals Urged

BK1106090995 Bangkok THE SUNDAY POST  
in English 11 Jun 95 p 22

[Editorial: "'Constructive Engagement' Has Not Resulted in a Better Burma"]

[FBIS Transcribed Text] Burma's military leaders, while preparing to secure control of the country, recently paid official visits to Indonesia and Singapore to foster stronger diplomatic and economic ties and at the same time build up solidarity between authoritarian governments.

Since the popular democracy uprising in 1988, which was brutally crushed by the Burmese military, the Rangoon regime had been shunned by most democratic governments, especially from the West. But it had also gained friends and valuable allies like its giant neighbour China and member countries of the Association of Southeast Asian Nations.

Rangoon's newfound allies are governments who strongly believe in engaging constructively with its neighbour, but minding their own business as they do not believe in interfering in the "internal affairs of another government."

Blatant human rights abuses like forced labour, arbitrary executions and imprisonment, selling off the country's national resources to the highest bidder without the consent of the populace and so on are not of their concern. And they don't care whether a government is legitimate.

Indeed, depressingly, analysts dissidents and western leaders believe that ASEAN is in the best position to play a major role in changing Burma for the better. But this is not happening. ASEAN is confident that its controversial "constructive engagement" policy will work as it continues to exploit that country economically.

ASEAN's policy towards Burma has only served to entrench the power of a pariah regime and extend to it the legitimacy it so desperately desires. Burma's so-called allies have, however, refused to abandon their approach towards the military regime despite repeated calls from the Burmese people and the West.

ASEAN strongly believes that by talking and trading with SLORC, it will act as an incentive to improve their economy and will eventually lead to an improved political climate in Burma.

This is not so. The recent crackdown on opposition leaders and their continual refusal to free Daw Aung San Suu Kyi clearly reflects the generals are only becoming more tyrannical.

Former Col Kyi Maung was recently detained for interrogation for speaking to a British diplomat and Burmese dissidents. He was released after a week on the condition he stays away from politics.

Kyi Maung is chairman of the National League for Democracy which scored a landslide victory in the 1990 general elections. The SLORC ignored the mandate of the people who chose to be governed by a democratic government.

The former colonel will not be the last to be interrogated. A jittery SLORC is expected to haul in more dissidents as anniversary dates of July and August are around the corner.

Sources in Rangoon say the Burmese people are anxiously waiting for the July deadline when they expect Suu Kyi to be released. Signs of unrest are slowly emerging in the country. Recently, it was rumoured that the Ye Zin University in upper Burma was closed down after a clash erupted between students and officials.

Burma's powerful intelligence chief Lt Gen Khin Nyunt recently told Philip Shonan of the New York Times that Suu Kyi will not be freed until "there is the guarantee of peace and tranquility in our country," a time Khin Nyunt suggested was still far in the future.

US Congressman Bill Richardson was recently in Rangoon for two days and tried to meet Suu Kyi again. Richardson had first met the Nobel Laureate in February but this time his request was denied. On his return from Burma the frustrated and visibly angry congressman told reporters at the Foreign Correspondents Club

of Thailand: "As million of dollars pour into Burma, Aung San Suu Kyi is forgotten. This is not right."

Despite all this, ASEAN leaders are determined to invite Burma to the upcoming summit in Brunei. Many countries have therefore urged ASEAN to lay down specific conditions before inviting Burma's medieval dictators.

Some of the conditions could be to free Aung San Suu Kyi unconditionally and to recognise the results of the 1990 general elections.

The ball is now in the ASEAN court. If ASEAN, Thailand in particular, really wants to see a change in Rangoon, it must apply stronger pressure on the Burmese generals.

#### **Burmese Troops Arrest Thai Villagers at Border**

*BK1306055795 Bangkok BANGKOK POST  
in English 13 Jun 95 p 1*

[FBIS Transcribed Text] Chumphon — Burmese troops arrested and detained 19 Thai villagers in four separate incidents at the weekend near a border hill which was the centre of a row between the two countries several years ago, according to a Border Patrol Police (BPP) report from the province.

Burmese troops first arrested two Thai villagers on Saturday while they were walking from Hill 491 to their permanent base at Ban Nam Thun opposite Ban Pak Chan in Kra Buri District of Ranong Province, the report said.

The Thai villagers were believed to have crossed the Thai-Burmese border to carry out illegal logging activities in Pak Khlong Kranai.

The two villagers were reported to have been detained at Ban Nam Thun in Kawthaung District of Victoria Point.

On Sunday, Burmese troops from the same company arrested four more Thai villagers in the same area before they split into two groups.

The first group was led by Lt-Col Thye Ma So and was made up of between 120-180 troops, with the name of the commander of the second group, comprising between 100-120 troops, not known.

On the same day, the two Rangoon forces crossed into Thailand and arrested four Thai villagers living on the Thai border at Ban Pak Chan.

The four were identified as Somyot Pri-ngam, 58, Piak Phumkokrak, 36, Lai and Kim (surnames unknown), all villagers from Sawi District of Chumphon Province.

The BPP believes the eight villagers are still being held at the temporary bases of the two Burmese units.

The BPP reported that nine Thais residents of Ranong and Chumphon provinces were also arrested by Rangoon troops over the weekend.

They were Thawisak Pimuk, 18, Somsak Di-anan, 39, Dam Kaeophan, Winai Thotsanit, Phet Nulek, Yip Sukphan, Kai, Wi and Num. Their surnames were still unknown.

The Thai military was negotiating with Burmese forces for the release of the Thai villagers, the report said.

#### **Bol: Strong Yen To Bring Greater Investment**

*BK1306074595 Bangkok BANGKOK POST  
in English 13 Jun 95 p 28*

[FBIS Transcribed Text] Japanese will remain major foreign investors tapping Board of Investment [Bol] privileges as long as the yen stays strong, according to the board's international affairs division.

They dominated foreign investment through the board for the first four months of this year and the whole of 1994.

But Bank of Thailand statistics show that in terms of overall foreign investment, Japan dropped from first in 1993 to third behind the United States and Hong Kong last year. Taiwan was fourth.

This decline stems from loan paybacks to parent companies use of Bangkok International Banking Facilities to raise money abroad and reinvestment of profits earned in Thailand. These profits do not show up as an inflow of investment.

Japanese businesses last year sought Bol investment privileges for 1,538 projects worth a total of 591.57 billion baht, compared with 1,255 worth 278.79 billion in 1993.

Of these totals, 1,173 projects worth 251.21 billion baht were approved last year, compared with 849 worth 176.35 billion in 1993. A total of 311 projects worth 101.49 billion baht began operations last year.

In the first four months of this year, Japanese sought privileges for 73 projects worth 5.13 billion baht. European investors were second with 37 projects totalling 920 million baht.

The total number of applications for privileges in the period was 406, down 11.93% from 461 in the same period last year, but the value of the projects rose from 158.44 million baht to 219.48 million baht.

Japanese will continue to increase their investment in Thailand as long as the strong yen forces them to look offshore, according to the board.

A survey by the Export-Import Bank of Japan ranks Thailand fifth among potential countries for Japanese investment abroad.

Because of the opportunities available, Japanese investors will increase their presence in Thailand even though Indochina, China and other ASEAN members are rivals for their money, according to Chakkramon Phasukwanit, assistant to the board's secretary-general.

Most Japanese investors in the first four months of this year planned small and medium-scale projects or supporting industries. The Thai Government was encouraging such industries to come to this country but must further reduce obstacles to investment to give them a competitive edge, he said.

The board is pushing for foreign investment to introduce more high technology in the vehicle, plastics and supporting industries.

Thailand's ability to compete with labour-intensive countries is declining with the emergence of light industries and textile production in countries such as Vietnam and China. But statistics show the country's high-technology industries are gradually expanding.

The board notes that light industries and textiles accounted for almost half of all export-oriented project applications in 1990, but declined to 17 percent in 1991, 10 percent in 1992, 28.3 percent in 1993 and 9.4 percent last year.

But the investment value percentage of the electric and electronic products sector rose from 20.6 percent in 1990 to 25.3 percent in 1991, 54.9 percent in 1992, 52.2 percent in 1993 and 44.4 percent in 1994.

Mr Chakkramon said his board's figures showed a much more promising investment picture than the Bank of Thailand's overall statistics, which showed that net flows of foreign direct investment in Thailand last year declined drastically when compared with 1993. Total net flows decreased by 64.3 percent from 41.87 billion baht in 1993 to 14.953 billion baht last year.

Projects which win board promotional privileges form part of the overall figure.

Main reasons for the overall decline include delays in investment for major infrastructure projects, foreign affiliates increasingly paying back loans to parent companies abroad and use of the international banking facilities for loans.

Also, foreign companies often use profits from their operations in Thailand, instead of new loans, for reinvestment. Other contributing factors include sluggish economic conditions in major investing countries, es-

pecially Japan and Europe, and the fact that Thailand is steadily losing its edge in labour-intensive industries.

But the number of applications to the board increased by 30.2 percent from 529 projects in 1993 to 689 last year. Their values increased at a much faster pace, from 127.44 billion baht in 1993 to 370.64 billion baht last year.

#### Cabinet Delays Approval of New Banks Rules

BK1306063295 Bangkok BUSINESS DAY in English  
13 Jun 95 p F1

[FBIS Transcribed Text] The presentation to Cabinet of criteria for the approval of new banks has been suspended for two weeks pending the resolution of a number of unsettled conditions, a source at the Bank of Thailand [BOT] said yesterday.

The draft, compiled as part of the move to implementing Thailand's finance plan, was due to go before Cabinet for approval today.

The source said that caretaker Finance Minister Tharin Nimmanhemin on Sunday called an urgent meeting of the criteria drafting committee comprising officials from the ministry and the BOT. Top of the agenda was discussion on the origins of committee members, which was finally revised at the meeting.

In the previous draft, the application committee was to have consisted of representatives from the Finance Ministry, BOT, the Securities and Exchange Commission [SEC] and the Stock Exchange of Thailand [SET].

After revision, the application committee will include officials from the BOT and the Finance Ministry.

According to the source, the reason for excluding representatives from the SEC and SET was Mr Tharin's insistence that the committee remain free from political influences.

The committee's line-up will consist of 11 members from the entire board of the BOT, all five director-generals from departments under the Finance Ministry and the permanent secretary to the Finance Ministry.

The committee chairman is expected to be either the Permanent Finance Secretary or the Governor of the Bank of Thailand, the source said.

Another issue yet to be finalized is the amount and payment conditions of the registered capital of the new banks.

Previously, the size of the registered capital was set at 10 billion baht and the banks were required to pay-up the capital at intervals over two years.

The size of the capital in the new draft is expected to be cut down to 8 billion baht with payment conditions remaining the same. The drafting committee, therefore, had to take the draft to revise and it has to be finished within two weeks before the last meeting of the caretaker Cabinet on June 27.

Once the draft is approved by the Cabinet, it will be announced as a ministerial regulation of the Finance Ministry.

### Vietnam

#### Tourism Officials Meet U.S. Travel Agents

*BK1106151095 Hanoi VNA in English  
1455 GMT 11 Jun 95*

[FBIS Transcribed Text] Hanoi VNA June 11 — The Vietnam Tourism Administration (VTA) met here this afternoon a 31 member delegation of the American Society of Travel Agents (ASTA) led by President and Chief Operating Officer Ms Jeanne Epping, on a visit to Vietnam.

At the reception, VTA Deputy General Director Mr Bui Xuan Nhat spoke of Vietnam's tourism policy, its potentials and prospects for development. He drew the American guests' attention to Vietnam's desire to attract more visitors from Northern America, to share experience and to cooperate in training and marketing with American tourism businesses.

The ASTA president, Ms Jeanne Epping, said she hoped that Vietnam's tourism agents would soon take part in the ASTA and cooperate with ASTA members in travel advertisement and other related fields that would bring about benefits for businesses of both countries.

#### Military Delegation Visits Haiphong Command

*BK1306093195 Hanoi Voice of Vietnam Network  
in Vietnamese 1400 GMT 12 Jun 95*

[FBIS Translated Text] A high level military delegation led by Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee, deputy minister of national defense, and chief of the General Staff of the Vietnamese People's Army, paid a working visit to the Haiphong city military command recently.

The delegation heard a report on the local military tasks and national defense activities of the military command. Later, the delegation visited the 50th Regiment to observe its daily activities.

Gen. Dao Dinh Luyen commended Haiphong for its achievements in national defense over the past several years. He urged the city military command to continue its efforts to build regular and standard Army units while striving to enhance the political background

and combat readiness of its combatants. The military command should strive to manage national defense areas and projects effectively, strengthen Army discipline, and promote efforts to build completely strong and firm units, thereby contributing to building a vigorous universal national defense system at the grass roots level.

#### Commentary Criticizes 'Reactionary' Bui Tin

*BK1206140195 Hanoi Voice of Vietnam Network  
in Vietnamese 2300 GMT 11 Jun 95*

[Station commentary by correspondent Hoang Phuong: "The Language of a Traitor"]

[FBIS Translated Text] Actually, there is nothing new in the arguments since they are a reproduction of the same old thing. What was used by reactionary forces over the past 100 years or more in their anticommunist arena has been given a new makeover to suit the current situation to demand democratic pluralism, a change in the political regime in Vietnam, the removal of the Communist Party of Vietnam from its ruling role, etc...

On the occasion of Vietnam's celebration of the anniversary of its liberation of the south and its national unification, they have acted even more intensively by holding seminars and rallies, and printing books and newspapers, trying to attract world public attention to the make believe fact that they are an anticommunist force to be reckoned with!

Then who are they? They are none other than those old timer anticommunists who fled to Western countries at a time when our people were conducting their war of resistance. They are those who once chose to embrace the legs of foreign reactionary forces and to worship Diem and Nhu [Ngo Dinh Diem and Ngo Dinh Nhu] as their big bosses. This is understandable because they have been anticommunist since their childhood. Noteworthy is the fact that Bui Tin is one among them who seems to be very aggressive in his antagonism [against Vietnam]. Apparently, as time goes by, Bui Tin's language has become more and more sarcastic and treacherous.

Five years ago — in 1990 — when he had just fled to France, in an interview with BBC, Bui Tin tried to pose himself as a citizen who was contributing his objective views on the national situation and on our party and government. Now Bui Tin has adopted a fierce antagonistic stance. He no longer conceals his deep rooted hatred of the revolution and the Communist Party of Vietnam. This stance is considered more treacherous than that of those who are born reactionaries. Bui Tin turned out to be very upset at hearing a public opinion assessment at home that he has advanced another step

forward on his traitorous path with *Petition of a Citizen to a Snow Flower* — an anticomunist book written by Bui Tin in 1991.

The term traitor used by the Vietnamese people against a person has a very bad meaning if not to say it is synonymous to an insult. Historical experience not only in Vietnam, but also in the world, shows that a frontal enemy is usually less dangerous than a traitor. This is because once a person has betrayed his just cause, his organization, his friends, and his comrades-in-arms, it would be very hard for him to make a comeback. Therefore, once already on a tiger's back, he cannot but firmly hold onto the tiger. It is because of this that the traitorous character in him has become increasingly fiercer and perfidious. Furthermore, a traitor has more or less tried to create for himself some knowledge of internal information unavailable to other people to use it as a present for his new boss in the hope of earning some credit to redeem his crimes. Bui Tin is a case in point.

Tin boasted that although his first book is thin and simplistic, it has caused much sleeplessness to a ruling mechanism and that they [the Vietnamese Communists] fear the truth and reason, especially when they feel the ground on which they are standing is shaking. But who here is sleepless and who is afraid of the truth? Bui Tin wants to imply that the Communist Party and the Government of Vietnam and the leaders of the Vietnamese revolution are. But public opinion believes that in this case, it is Bui Tin and other anticomunist forces who are suffering from insomnia and are feeling bitter at the great revolutionary gains reaped by the Vietnamese people during their renovation process.

Despite the fact that the international communist movement is on the decline and that socialism in East Europe and the former Soviet Union has faltered, the Vietnamese revolution continues to stand on its feet and to make headway. This is an objective and undeniable fact like two plus two equaling four. Why did Bui Tin dare not touch on this issue while trying to go in to search for the truth somewhere else? Bui Tin has made a wrong move!

Tin believed that as the Soviet Union has collapsed, Vietnam would follow suit. When that day comes, Bui Tin will return honorably as a well informed hero. Regrettably, things did turn out that way. The ground underneath the Vietnamese Communists has not shaken as thought by Bui Tin. Far from being on a decline, the people's trust in the Communist Party of Vietnam has increased. The political situation at home has not been chaotic, but it has become increasingly stable. Vietnam

has not been isolated, but it has won sympathy and support from its friends worldwide.

The success of the renovation process in Vietnam has driven anticomunist forces, including Bui Tin, into a dead end. Those arguments and solutions they [the anticomunists] raised to poison the public have been frustrated by the truth. As a person who is in a coma before the situation, Bui Tin is repenting. [as received] Tin said that he made a wrong move to have engaged in the two wars of resistance and that he eventually fell victim to their cause.

Ironically, while showing such repentance and while assessing that the past 50 years was one of the darkest periods in history, Bui Tin continues to keep his pride for his due contributions to the nation's persistent struggle. The psychology of a degraded person who is posing as a political beggar is very intricate in deed. On the one hand, he condemned and negated everything available, while on the other hand, reasserted his role in it and felt proud of it. Being bigoted like that, how could he expect to wake up and teach other people about something in which he is not qualified?

Bui Tin said he wanted to make his small contributions and to look back over the past with a critical mind. But as he has betrayed his own nation, his forefathers, and his friends. He has no right to criticize nor does he reserve for himself the right to raise his voice to teach other people about what to do.

Bui Tin said everyone should learn together by heart various historic lessons. Yes, an historic lesson well understood by every Vietnamese citizen is that, in this country, no one likes to be a traitor. When it comes to making a judgment, history is very fair and will never favor a defector. Isn't this a historical lesson of which the first learner should be Bui Tin himself.

#### Japanese Official Visits, Signs Aid Package

*BK1006102395 Hanoi VNA in English  
0619 GMT 10 Jun 95*

[FBIS Transcribed Text] Hanoi VNA June 10 — The Japanese Government will grant a nonrefundable aid package worth 1,947 million yen (roughly USD 23 million) to help Vietnam boost aquatic production.

The note was signed in Hanoi yesterday by Minister of Aquatic Products Nguyen Tan Trinh and Japanese Ambassador to Vietnam Kazuo Ogura.

The aid package will fund a project for the construction of Vung Tau fishing port facilities in Ba Ria-Vung Tau Province, including the building of sea wharfs, handling and distribution centres, ice producing sector, frozen storage, oil tanks and others.

Early this year, Japan had given an aid worth nearly four million USD to fund the first phase construction of the project which is expected to be completed in early 1997. The Japanese Government has also decided to provide a refrigerating equipment system to Vietnam's healthcare service to serve the expanded immunization program.

Document to the USD 2.6 million worth aid was signed on the same day by Japanese Deputy Foreign Minister Hakuo Yanagisawa and Vietnamese Deputy Health Minister Nguyen Van Tuong.

Since 1993 the Japanese Government has provided Vietnam with a total quantity of antipolio vaccine worth USD 560,000. In 1994 alone it donated 2.6 million tonnes of vaccine worth USD 220,000 and this year it plans to send to Vietnam 11.3 [as received] million doses of vaccine for a campaign to vaccinate children against polio scheduled in next November and December.

**Phan Van Khai Receives Japanese Deputy Minister**  
*BK1106114695 Hanoi Voice of Vietnam in English*  
*1000 GMT 10 Jun 95*

[FBIS Transcribed Text] Japan has donated about \$26 million to Vietnam for upgrading fisheries and fighting polio. The donation was announced during a visit by Japanese Deputy Foreign Minister Hakuo Yanagisawa. About \$23 million is for the second stage of a project to upgrade a fishing port facility at Vung Tau, southeast of Ho Chi Minh City.

The Japanese deputy foreign minister was received by Deputy Prime Minister Phan Van Khai in Hanoi. Mr Khai thanked Japan's support to Vietnam during the time it was affected by embargo as well as Japan's remarkable financial support to help Vietnam build its infrastructure. He affirmed that it is Vietnam's policy to collaborate with the Japanese Government to implement an agreement reached by the leaders of the two countries in their recent exchange visits. He expressed the wish that Japan would play an active role in maintaining regional security, thus contributing to the creation of a common environment for stability and development for other countries, including Vietnam.

Mr Yanagisawa recalled both countries' interest in strengthening their political experiences and relations and in promoting economic cooperation and cultural exchanges between the two countries.

#### Japanese Deputy Foreign Minister Interviewed

*BK1106152195 Hanoi VNA in English*  
*1501 GMT 11 Jun 95*

[FBIS Transcribed Text] Hanoi VNA June 11 — 'The Japanese Government warmly welcomes Vietnam's joining the ASEAN and this will contribute to preserving peace, stability and development in the Asia-Pacific region', Deputy Foreign Minister of Japan Hakuo Yanagisawa told a staff correspondent of VIETNAM NEWS AGENCY in an interview today.

Hakuo Yanagisawa, who has been in Vietnam for an official visit, the first since he became Japan's deputy foreign minister in July last year, also said that Japan had decided to give Vietnam a 8.5- million yen package (roughly 94,000 USD) [U.S. dollars] in aid to help the latter in this regard.

Asked to comment on Vietnam's national development in the renewal process, the Japanese diplomat said that he has seen a lot of changes in the economic and cultural development. He confirmed: 'With my profound feelings and strong impressions towards Vietnam, I am confident that the Vietnamese people will surely be successful in their national construction and development as they hope.'

Referring to Japan's official development aid (ODA) to Vietnam, he said:

'Compared with other countries in the region, Vietnam has been one of the countries that have achieved fast development in many fields. Vietnam is now carrying out the renovation policy to shift its economy to the market oriented economy and pursuing its open door foreign policy. Japan has warmly welcomed and fully supported these policies.'

'Japan wants to share with Vietnam all what are successful and not successful as well in their national building and development. This will serve as a ground for effective use of Japan's aid to Vietnam,' he said, stressing: 'With regard to Vietnam's national development, Japan is interested in two issues: training the talents and institutionalizing policies in line with the open economy. In infrastructural construction, Japan is concerning about energy, transport and communications, and agriculture, and at the same time paying attention to education, insurance, environment and public health sectors.'

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